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RECOVERY

By Willard L. Thorp

ECONOMIC data make dull evening reading. But they nevertheless record the acts of a drama, a motion picture, a mystery plot, with full sound and color.

Thus it is an exciting fact that industrial production in the United States rose 48 percent from March 1933 to May 1934, but lost half this gain during the next two months. During the same sixteen months' period, production in France fell 9 percent; wholesale prices in the United Kingdom advanced 11 percent but in Italy declined 4 percent; the number of unemployed decreased 29 percent in Canada but increased 5 percent in Poland. Wheat recently was \$0.50 per bushel in Sydney, Australia, and \$2.00 in Milan. The interest rate on commercial paper is 0.72 percent in Amsterdam and 4.38 in Tokyo. The police are closing retail meat markets in Germany, where prices have advanced contrary to government regulations, while the Winnipeg Grain Exchange has fixed minimum prices for wheat.

Such is the bewildering stuff of which present world economic history is being made. Many pieces of the puzzle are missing, and even could we fit together those which we have, much of the real picture would still be left to the imagination.

The platitudinous say that we are in a new and rapidly changing world, full of economic experimentation. But "experiment" is not quite the right word, for to the scientist that term has definite implications of controlled conditions and detailed observation. One sad aspect of the present era is that, partly because of carelessness and partly because of the complexity of the situation, the so-called experiments will create more controversies as to their real effects than they will contribute in demonstrable principle.

Perhaps most specific social experiments are equally difficult to evaluate. However, in this particular instance all the usual troubles of inadequate data and shortsightedness as to perspec-

tive are intensely aggravated. Those determining policy have not consented to follow the gentle and simple methods of science, where changes are restricted to single variables, but have persisted in operating in a wholesale way on many factors in each situation. American farm prices have advanced, but this welcome phenomenon may be due to the mingled and unequal effects of acreage restriction, drought, increased purchasing power on the part of industrial centers, advancing export trade (itself a possible result of monetary policy), easy credit conditions, diversion of speculative interest from securities, repeal of prohibition, and any of a dozen other contributing causes. Furthermore, one can easily demonstrate that advancing farm prices are not solely dependent variables, or the others independent. It is no simple case of cause and effect, or even of action and re-action, for the re-action itself causes a re-re-action and thus *ad infinitum*. And the factors so easily escape from the curriculum-created boundaries of economics into the political field, and into that mystical area known as public opinion and "confidence." However, despite all these difficulties facing the economic surveyor, no legislative curb has been placed on speculation concerning the present trends in the world, and prophets are still permitted.

When we study past records of world business conditions we can see a decided tendency for movements to be similar in various countries. We can readily discern what might be described as a world pattern of prosperity and depression, with peaks in 1890, 1900, 1907, 1913, 1920 and 1929. To be sure, individual countries have frequently diverged from the pattern, and the timing of the aberrations has been by no means uniform. They have sometimes imposed additional years of crisis of their own upon the world pattern. They have suffered from the depressions in differing degrees and taken their prosperity in different strengths. Nevertheless an underlying similarity of economic experience has clearly existed.

Detailed examination of the record indicates that the greatest similarity in the state of business health of the various countries appears at the point of recession. Periods of world prosperity seem to end with much more sharpness and uniformity than periods of depression. Revivals are much less clear-cut. Thus the recovery from the troubles of the early 'nineties began in Germany in the autumn of 1894, in Sweden at the beginning of 1895, in England and France in the middle of 1895, in the Netherlands

and Italy in 1896, and was delayed in the United States by the 1896 set-back until the middle of 1897. Similarly, the severe post-war depression of 1921 did not yield to revival uniformly in the various countries, but was spread over at least three years; and one can even question whether some countries recovered at all. As to the recession of 1929, there can be no doubt that definite evidence of recovery began to appear in many countries in the last half of 1932. Although in many instances there was backsliding in the early months of 1933, the upward trend was again clearly in evidence by summer. Like all revivals, it has not been uniform; it has been extremely ragged.

II

Perhaps the best single set of indexes of economic activity now available are those relating to the volume of industrial production. Such records exist only for a limited number of countries, and in each case they are subject to serious technical criticism. Nevertheless, the measures of changes in industrial output provide some real evidence of the degree of world recovery. In the following table the eleven countries for which data are available are arranged in order of the degree of advance from the low point. The average for the year 1928 is used as a base in order to eliminate the influence of the varying behaviors in 1929, when some countries had already begun to slump while others were climbing to the highest diving platform.

INDEXES OF INDUSTRIAL PRODUCTION ^a
(1928=100)

	Lowest Three Months Since January 1932 Date of Central Month		Latest Three Months Index	Percent of Recovery Since Low Point Advance Decline Regained	
		Index			
Canada.....	Feb. '33	53	82	57	63
Germany.....	Aug. '32	60	88	48	71
Sweden.....	July '32	75	106	41	125
Japan.....	May '32	102 ^a	144	40	^b
Czechoslovakia.....	Mar. '33	54	72	33	39
United States.....	July '32	53	69	30	36
United Kingdom.....	Aug. '32	82	105	28	128
Poland.....	Feb. '33	48	62	27	26
Austria.....	Jan. '33	60	70	17	25
France.....	July '32	73	77	6	16
Belgium.....	May '32 ^c	65	69	6	12

^a Figures in this and following tables are based on the League of Nations *Monthly Bulletin of Statistics*.

^b Because of rapidly rising trend, depression years have been above 1928 level.

^c Disregarding July and August 1932, low because of labor troubles.

The direction is clearly upwards. But there appears to be little uniformity among the various countries, either in terms of the degree of the decline or of the extent of the recovery. This may be due in part to the character of the indexes, but it is caused in greater degree by the different characteristics of the countries concerned and the divergence of their economic policies. While Japan at no time after 1932 fell below her 1928 level, at least four countries approximated a cut to one-half the 1928 rate of production. The United States is squarely in the middle of the picture as far as the degree of recovery is concerned. However, inasmuch as its decline was so great it is among those furthest from the 1928 level at the present time. The record would have been much more cheerful if it had been taken in the spring of 1934, for several of the countries have slumped badly since then. The United States index fell 17 percent in two months. During the same period, production in the Netherlands declined 15 percent, and in France has dropped 14 percent since the peak in July 1933.

III

Of particular importance from the social point of view is the record of unemployment. In this field statistics are in general more reliable, for many countries obtain some form of fairly exact data either through unemployment insurance statistics or trade union records. It should be understood, however, that the different methods used in making the figures are not strictly comparable. Because of the seasonal variation, which is extremely wide in some countries, comparison has been made in the following table between August 1932 and the same month in 1934.

PERCENTAGE CHANGE IN UNEMPLOYMENT, AUGUST 1932-AUGUST 1934

	<i>Nature of Statistics</i>	<i>Percent Change</i>
Germany	Employment Exchange Register	-54
Australia ^a	Trade Union Returns	-39
Sweden ^b	Trade Union Returns	-31
United Kingdom	Compulsory Unemployment Ins. Statistics	-25
Japan ^c	Official Estimate	-21
Canada	Trade Union Returns	-16
United States	Trade Union Returns	-12
Italy	Ministry of Corporations	-8
Belgium	Voluntary Unemployment Ins. Statistics	-7

^a End of June 1932 to end of May 1934.

^b End of July 1932 to end of July 1934.

^c End of April 1932 to beginning of May 1934.

Netherlands	Employment Exchange Statistics	- 6
Switzerland ^d	Compulsory or Optional Insurance Statistics	- 3
Austria	Employment Exchange Statistics	- 2
France	Employment Exchange Statistics	+20
Czechoslovakia	Employment Exchange Statistics	+24
Poland	Employment Exchange Statistics	+35

^d End of January 1932 to end of January 1934.

Germany and Poland appear to have been far out of line. In both cases the percentages are explained primarily by the special situation existing in those countries in 1932. In Germany, about one-third of all workers were unemployed at that time; thus, despite the outstanding percentage improvement, the number of unemployed is still high. Poland, on the other hand, had a relatively small volume of unemployment in 1932, the year taken as a base.

The three centers of most severe unemployment during the depression have been the United States, Germany and the United Kingdom. In the spring of 1933 these three countries alone had a total of about 20.5 million unemployed. By August 1934, this was reduced to approximately 15.0 millions. These figures do not make allowance for those given employment in German labor camps, nor for those in the United States assigned to Conservation Corps Camps or engaged on Federal Employment Relief projects. All available evidence reveals persistently high records of unemployment in nearly every country. While there has been a very real gain during the last year, the gradual exhaustion of individual resources has greatly aggravated the problem of relief.

IV

Another set of figures usually regarded as indicating improvement or the reverse is that registering the behavior of wholesale prices. Prices presumably move upwards as business conditions improve. In the past, there has been a decided tendency for price levels to record fairly parallel movements in the various countries. But in recent years, with varying currency-credit policies, and with national barriers so high and foreign trade so low that domestic markets have become increasingly isolated, there have been wide divergences. In connection with the following table showing the percentage change in wholesale prices from 1932 to the latest available month, the statistician must give his usual

caution that price indexes are not equally comprehensive or technically competent.

PERCENTAGE CHANGE IN WHOLESALE PRICES, 1932 TO LATEST MONTH

<i>Advances</i>		<i>Decreases</i>	
United States	20	Netherlands	3
Japan	10	Austria	4
Canada	8	Switzerland	6
Australia	5	Italy	11
Sweden	5	Belgium	12
United Kingdom	5	France	14
Germany	4	Poland	15
Czechoslovakia	1		

For all the countries in the first column except Japan, where the rise in prices occurred chiefly in 1932, prices reached the end of a long period of decline in the spring of 1933; then advanced; and held fairly steady until the summer of 1934, when the advance was again resumed under impetus of the short agricultural yields in prospect. Prices in the countries still on gold have continued their steady downward march.

V

One further evidence of the extent of the world recovery can be found in changes in the value of foreign trade. The countries in the following table are arranged according to the degree to which their total trade has recovered during the last two years.

CHANGES IN VALUE OF FOREIGN TRADE, IN NATIONAL CURRENCIES

	<i>Index Numbers, 1933 (1929=100)</i>		<i>Percent Change 3rd Quarter 1934 Over 3rd Quarter 1932</i>	
	<i>Exports</i>	<i>Imports</i>	<i>Exports</i>	<i>Imports</i>
Japan	86.9	86.7	+51	+122
United States	31.9	32.9	+51	+45
Sweden	59.6	61.1	+54	+19
Canada	44.4	30.6	+36	+19
United Kingdom	50.8	55.9	+18	+4
Australia	112.5	36.4	-8	+30
Austria	35.2	35.3	+21	-19
Czechoslovakia	28.5	29.1	+8	-9
Switzerland	40.6	57.3	+12	-14
Poland	34.2	26.6	-5	-1
Belgium	44.3	41.6	-5	-9
Netherlands	36.1	44.1	-5	-11
Germany	38.5	31.2	-24	-0
Italy	39.0	34.1	-21	-11
France	36.8	48.8	-8	-26

There has been no general recovery in foreign trade. In fact, the estimates for total world trade prepared by the League of Nations reach a new low in the third quarter of 1934, when measured in gold prices. However, since the middle of 1932 gold prices have fallen, so the physical volume of trade has advanced slightly. While this is true in world terms, gains or losses by individual countries are clearly in evidence. Thus Japan, the United States, Sweden and Canada all show marked advances. These same four countries reported the greatest price increases.

One feature in this table is worthy of mention in passing, namely the number of instances where changes in imports and exports have roughly paralleled each other. In some cases this is the result of conscious national policies adopted to improve the balance of trade, usually to be accomplished by the restriction of imports; but several of the countries which have introduced the most severe quantitative restriction of imports have suffered a parallel decline in their export trade. Here is one of those strange interlocking chains of cause and effect where the decline in exports led to import restrictions, which in turn caused a further decline in exports, and so on and so on.

VI

It would be absurd to lean very heavily upon such sketchy evidence as is given in these four tables. But, for what it and other available data are worth, the conclusion may be drawn that Canada, Japan and Sweden have shown the greatest degree of recovery. Germany shows up well in domestic improvement, but is far down the list in foreign trade. The United States, Great Britain and Australia complete the list of leaders according to all four measures. At the other end of the list, giving the least evidence of improvement, are the countries of the so-called gold bloc, Belgium, France, Italy, Netherlands and Switzerland. They are lagging, not merely in price behavior and foreign trade, but also in domestic activity.

One must be reasonably cautious about drawing any final conclusions from the short-run record. Many present-day policies are themselves short-run, intended to start enterprise going, to change the downward spiral into an upward one. It is, of course, too early to record their effectiveness in generating a persistent upward movement, and the only test is the pragmatic one. The wisdom of such policies should be questioned only in terms

of alternatives. The situation certainly demanded vigorous and bold action to check the cumulative depressing elements of the downward movement.

Even though recent history may be difficult to judge in quantitative terms, certain qualitative changes are clear. The single outstanding feature of this period is that for the first time in history conscious effort has been made on virtually a world scale to introduce social controls into the process of bringing a depression to an end. In the past, governments have stood aside and waited for "natural forces" to produce revival. But on this occasion the governments of the world, with a steadily shortening list of exceptions, have undertaken positive and extensive action to initiate and support an upward movement.

The degree to which different governments have actually entered the economic domain has, of course, varied. In Germany, for example, the government has undertaken an extremely wide program of "recovery and reform," with extensive public works, subsidized housing renovation, reorganization of farming in smaller units, reduction of the rate of mortgage interest, subsidy of exports, abolition of trade unions and collective bargaining, government intervention in price policies, and many other extensions of the sphere of government. Great Britain, on the other hand, has been much more conservative; but one cannot disregard her monetary policy, her public works and housing projects, her marketing schemes in the field of agriculture, and her abandonment of free trade.

More and more countries are adopting elaborate recovery programs. For example, in June 1934, Canada, despite her record of improvement to date, entered on a Canadian version of the "New Deal." The Belgian Cabinet, given virtually dictatorial powers in July 1934, began developing a program of public works, wage protection, industrial coöperation and curbing of unfair competition, credit expansion, and foreign trade control. Italy not only has established a 40-hour week, but is extending her control even further by creating 22 corporations to dominate all production.

The world-wide abandonment of trust in "natural forces" is not merely the attempt of political parties to assure their constituents that they are duly concerned over their economic plight. There is widespread distrust of the effectiveness of natural forces to correct such extreme disequilibria as have existed in recent

years. Furthermore, the length of the depression and the severity of the decline transformed many of the factors which in the past aided in promoting recovery into further depressing influences. Thus, sharp declines in raw material prices usually create a favorable condition, permitting manufacturers to produce at lower prices and encouraging their activity. But under the prolonged depression from which agriculture and mining have suffered, this influence has been more than offset by the diminished purchasing power of the farmers and miners themselves. During a short depression period, their savings, plus the assistance which they receive from various sources of credit, make it possible for them to continue their purchases; but the length and depth of this depression have practically exhausted these resources.

Similarly, in depressions the banks ordinarily find themselves with excess reserves and become increasingly eager to discover ways and means of moving their idle funds. In the present case, the unusual and prolonged decline in the price level so undermined bank assets that the credit structure became progressively weakened as the depression continued. Continuing bank failures formed in themselves a deflating influence, undoubtedly further weakening the level of prices and discouraging the extension of credit by private agencies. There were additional factors of weakness on this occasion which did not appear in 1907 or 1921. For example, there was a collapse of municipal and state credit and a rapid development of a "sweat shop" labor market. All these elements weakened faith in the process of recovery through "natural forces."

Even prior to the depression, the governments of some countries adopted the policy of assuming responsibility for the functioning of the economic system. This was the case notably in Italy and Russia. The war had necessitated governmental interference on a scale never realized before. And even though in many countries there was an apparent return to the former private-public boundary line, government intervention in what had previously been regarded as the private sphere increased steadily. In many instances, the depression process of widening the field of governmental responsibility represents either the extension of activities undertaken previously on a small scale and to a slight degree, or the substitution of public activity where private activity had failed. One almost universal development is the ac-

ceptance of government responsibility for relief of the unemployed. Unemployment insurance (presumably entirely or in large part self-supporting) or private or local charity had been the traditional and accepted means of meeting this problem. But such methods were not adequate to carry the extraordinary burdens placed upon them by the depression. Without government intervention, the "natural forces" which would have come into play would have been starvation or revolution, one or the other.

Likewise well-nigh universal in its acceptance is the use of public works programs as a positive force for improvement. With private enterprise stagnant, particularly in the durable goods industries, and with large sums of credit available in the banks, most governments have embarked upon large-scale public undertakings. Similarly, extensive aid has been given to the work of improving housing conditions, often in coöperation with private funds. Had private agencies borrowed these funds to increase productive capacity, even though the capacity were not actually required, there would have been little criticism even from the most conservative of observers. But the entrance of public enterprise, even though the money be spent for socially desirable projects, causes much head-shaking. Such projects have been adopted for the double purpose of providing relief to the unemployed and again starting enterprise by putting funds into circulation. Even the gold bloc countries, where deflation is the logical keynote, have adopted public works programs. France voted 10 billion francs for the purpose last July, while Italy embarked on public works activities early in the depression.

There has been much variation in different countries in the character of the aid given to the several branches of industry in order to speed recovery. But in all there seems to be agreement in stressing the problems of agriculture. In part this may be due to evaporation of the idea that industrialists are possessed of some magic to solve all economic problems; but to a much greater degree it rests on the farmer's return to political significance. Whatever the reason, policies intended to increase agricultural prosperity — the imposition of tariffs, quotas, subsidies, bounties, processing taxes and the like — have been adopted very generally.

The point at which differences in policy among the nations have been most strikingly displayed is in connection with monetary matters. While most of the world has abandoned the

gold standard, at least for the time being, a small group of countries has continued to employ gold as a currency base. The significance of this particular fact has been greatly overemphasized. Indeed, a case could be made out for the thesis that Great Britain and the United States are more nearly on the gold standard than France or Italy, using the term "gold standard" as signifying primarily the normal and regular functioning of foreign transactions without limitation or restriction. Both the United States and Great Britain apply no restrictions to their exports, have no limitation on trade in foreign exchange, and do not interfere, except indirectly and inexactly through customs duties, with the movement of goods by any such method as quantitative limitation. These elements of freedom are more important to the functioning of international economic relations than the formal use of gold as a currency base in the midst of rigid trade and exchange controls.

The real significance of the departure from gold lies in the larger policy of which it is a part. A considerable part of the world is at present committed to the attempt to encourage industry by liberal credit, to "prime the pump" with expenditures for public enterprise, and to relieve the debt burden and stimulate activity by raising prices. To that end, banking systems have been supported, credit has been made plentiful and interest rates have been kept low, gold has been abandoned as a currency base, and governments have introduced currency into circulation by various spending programs. Certain countries have not accepted this program, but have preferred to follow the paths of deflation. The failure of those countries to participate strongly in the revival is some indication of the immediate effectiveness of the expansionist policies.

One dark side of the world picture is that the preoccupation of most countries with their internal difficulties has led to chaos in the international field. Upon the difficulties caused by fluctuations in foreign exchange have been piled higher and more sophisticated forms of trade barriers. Bilateral trade agreements have pierced the walls at some particular points, but frequently have accomplished nothing except to shift trade to less economic channels. There can be little doubt that the spreading use of quota limitations is a most effective way of destroying trade. In this particular sphere of economic activity there is little encouragement to be found in the policies of most countries. And the possibility of any

international agreement for freeing trade channels is made well nigh impossible at the present time by the differing currency and credit policies.

In the light of what is going on elsewhere in the world, American developments of the last eighteen months do not appear quite so extraordinary as when we contrast them with the ideological system which was usually supposed to function normally in the United States, namely *laissez-faire*. Nor from the historical point of view is it so extraordinary. The economic system of free competition, wherein price, supply and demand maintained a neat series of balances, where rewards were graded in accordance with productivity, and where the search for profits led to the highest social welfare, has been steadily disappearing for the last fifty years, if it ever existed at all. The assumed checks and balances have become less and less effective. Some industries, such as banking, coal, petroleum and agriculture, are now seen to be hopelessly unfit to function healthily without outside interference. The development of giant corporations has introduced a new and disturbing factor into nicely arranged economic concepts.

The economic problem which faces the world today is not merely the short-run one of how to induce recovery, but the long-range one of how to maintain stability and provide some degree of security after recovery has come. This does not necessarily mean to suppress "natural forces;" but it does mean to harness and direct them to more clearly social ends. Some countries are experimenting with modifications of the old system, others are experimenting with quite new types of economic controls. In every case, the situation is complicated by political considerations and by the character of the national culture involved. In all countries there is recognition of the necessity of undertaking the difficult task of consciously planning the controls which are to be employed. They may be private, they may be public. They may require merely the sharpening of old tools, or they may entail the invention of new and ingenious devices. But the concept that the government should leave economic matters strictly alone is gone forever. If a competitive system of the sort outlined by the classical economists is indeed the most promising, then the government must find and apply the widespread controls necessary to create the conditions postulated in such a system.

“Stability” and “security,” using the terms in any final sense, are the stuff that dreams are made of. We cannot hope to achieve them within the present generation. We cannot expect to discover a perfect pattern. Stability must be a moving equilibrium. Security is relative. Any program must be subject to constant shifts and adjustments, major operations here, patches there. And we will continually bewail our lack of understanding of our problems and of our instruments for dealing with them. But the difficulties cannot hide the fact that the attempt to set up social controls must continuously be pressed forward.

Conscious social control has little meaning to those theorists who see in human nature elements which will inevitably determine the character of our economic system, or those who see in human institutions certain assured sequences of Marxian “casting off of chains” or Spenglerian blossoming and decay. But whether the theorists approve or not, the fact remains that the steps taken in an endeavor to end the present world depression have involved most nations in positive action in the economic sphere. This has been often justified as an emergency measure. But the real emergency will continue until economic systems provide more stability and greater security.

JAPAN'S DEMAND FOR NAVAL EQUALITY

By Admiral Kichisaburo Nomura

THE Washington Naval Treaty was the product of the Disarmament Conference which was convened in Washington on November 12, 1921 — the day after Armistice Day — when the experiences of the World War were still fresh in our memory. The world, still suffering from the effects of its harrowing nightmare, was weary of all wars and hence in a frame of mind to accept any arrangement which gave promise of peace. The Treaty was signed by the representatives of the five participating Powers on February 6 of the following year, and was duly ratified by their governments. It is to be effective until the end of 1936, but in the absence of a two-years' notice of termination by any of the five Powers concerned its validity is to continue even after that date. Should such notice be given, however, a Conference must be held within one year of the date on which the notice takes effect.

As a result of becoming a party to the Treaty, Japan, along with her co-signatories, was subjected to some restrictions with respect to her national defense. That is not to say, however, that the Treaty was wholly without benefit to us.

The 5:5:3 ratio in capital ships was a decided blow to the self-respect of the Japanese people. This ratio was proposed by the United States on the grounds that, calculated on the basis of existing strengths, Japan was entitled to 60 percent of American naval tonnage. Japan, on the other hand, contended that her actual tonnage was 70 percent of that of the United States, no matter on what basis the calculation might be made. Both countries being adamant in their contentions, agreement on the proposed ratio was reached only on condition that the *status quo* of naval bases in the Far East should be maintained.

As regards the maintenance of the *status quo* of the naval bases, there were not a few critics in Japan who pointed to our acceptance of this condition as a disgraceful action, for the reason that the Bonin Islands, Amami-Oshima, the Luchu Islands, Formosa and the Pescadores, in respect of which our freedom of action

Editor's Note. An American view of pending naval problems, "The Setting for the 1935 Naval Conference," by Admiral William V. Pratt, appeared in *FOREIGN AFFAIRS*, July 1934; a British view, entitled "Naval Problems of 1935," by Admiral Sir Herbert W. Richmond, appeared in the issue for October 1934.

would be restricted, were all islands appertaining to Japan proper, while the United States and Great Britain were to be bound regarding such far-flung colonial possessions as the Philippines, Guam and Hong Kong. That the above criticism is not wholly unreasonable cannot be denied. But it is equally true that this restriction on naval bases has had the beneficial influence of preventing the occurrence of provocative incidents among the Powers concerned during the past fourteen years. To that extent it may be said that the agreement has made a contribution to peace.

Such were the circumstances under which the 5:5:3 ratio was determined. Our people, dissatisfied with it from its very inception, have come to look upon it today as a stigma of inferiority which hardly tends to sustain Japan's position in the Far East. And their dissatisfaction is keen, for they consider that this ratio deprives Japan of arms necessary for the execution of her national policy of maintaining peace in the Orient and jeopardizes her sense of national security. On the other hand, however, we recognize that the suspension of capital-ship construction greatly reduced naval expenditures. Thus in the case of Japan it cut down the naval budget from 500,000,000 yen to approximately 300,000,000 yen. It may therefore be said that the Washington Naval Treaty had the beneficial effect of preventing a race in armament construction, at least temporarily. But since the restrictions of that Treaty gave rise to a deficiency in our national defense, the Japanese Navy undertook to supplement this deficiency by augmenting its force in auxiliary vessels.

The London Naval Treaty of 1930 was concluded with the idea of supplementing the Washington Treaty. The new Treaty provided for limitations upon auxiliary vessels, in addition to extending the ten-year holiday in capital ship construction for a further period of six years; but since it was ratified only by the United States, Great Britain and Japan, it is binding only upon these three Powers.

Japan's three main contentions at the London Conference were for the following: A 7:10 ratio in the global tonnage of auxiliary vessels; a 7:10 ratio in 8-inch-gun heavy cruisers; 78,000 tons of submarines, irrespective of the submarine tonnage of other Powers.

The above contentions were made in pursuance of the policy of our navy to use auxiliary ships to make up the deficiency in capital ships. But as it turned out, all we got out of the London Conference was 60 percent in 8-inch-gun heavy cruisers, 52,000

tons of submarines, and a ratio approximating 70 percent in the global tonnage of auxiliary vessels. Japan duly ratified the Treaty; but grumbling was rife in the country, and the atmosphere of dissatisfaction and discontent has only become worse with the passing years.

As was stated in an earlier paragraph, existing strengths were taken as the basis of calculation at the Washington Conference. This fact seems to have been lost sight of at the London Conference, for here the negotiations proceeded under the apparent assumption that the determination of naval strengths by the application of the 5:5:3 ratio was a fixed and unchangeable principle. In 8-inch-gun cruisers, of which our country had eight completed and four under construction, we were forced to mark time so as to come down to a 6:10 ratio, since America, for instance, had only one unit of this category completed and a few under construction. And as for submarines, to which weapon our navy attaches such great importance, our tonnage was reduced by approximately one-third. Such being the disadvantageous features of the London Treaty, it was not strange that many a Japanese should have pointed to its acceptance as a national humiliation, one comparable only to that suffered by Hideyori some three centuries ago when he was forced by the Tokugawa clan to fill up the outer moat surrounding his castle in Osaka. Suffice it to say that our experiences during the years that have elapsed since the conclusion of the Washington Naval Treaty have more and more strengthened our conviction that the 5:5:3 ratio must be abrogated.

It might of course be said that if the United States, Great Britain and Japan would coöperate within the scope of the Treaty, they might function as stabilizing factors on the American continent, in Europe and in the Far East, respectively, and thus preserve the peace of the world. But as an actual proposition, Japan has become finally convinced that so long as she suffers from the stigma of the 5:5:3 ratio she cannot fulfill her mission of preserving order and peace in the Far East. This ratio must be abolished, and Japan granted a position of equality with other Powers. Having once gained that status, Japan would then be content with the minimum of armaments adequate to guarantee her national security in the light of domestic and external circumstances. But to have an inferior ratio dictated to us by other Powers — that is resented just as strongly as the continued en-

joyment of extraterritorial rights by foreigners was opposed by the Japanese in the early years of Meiji. What Japan ardently desires in the matter of national defense is the recognition of the principle of equal opportunity, and the right, within the scope of that principle, to freely provide herself with such arms as she may deem necessary to secure her defense.

We have not yet recovered completely from the shock of having two Prime Ministers, Hamaguchi and Inukai, assassinated within a short space of time. In the trials that followed, the defendants were united in attacking the humiliating implications of the London Treaty and in charging the Government with the responsibility of having thus endangered our country. This feeling has gradually come to be shared by our citizens at large, so much so that there is today little likelihood of any cabinet being able to continue in power unless it takes cognizance of this widespread feeling and acts accordingly.

It has been reported from abroad that abolition of the ratio system should naturally be accompanied by the abolition of the limitation on fortifications and naval bases. And in view of the circumstances that led up to the agreement relating thereto, such an argument is not altogether without reason. But, world conditions being what they are, I personally cannot consider it very probable that any Power would proceed today to build up a huge base in the Orient.

More than a hundred years ago, while she was yet in the early stage of her development, the United States, with a boldness becoming a young and rapidly rising nation, advanced the Monroe Doctrine — a measure calculated to forestall any new European intervention in the affairs of the American continents. And ever since that time she has made known plainly to all the world the fact that she not only does not welcome the establishment of new military or naval bases by foreign Powers in her proximity but is anxious that those already in existence should be limited or reduced. Nor, as a matter of fact, does any European Power today possess anything worthy of being called a naval base anywhere on the American continents. Such being the case, it is hardly conceivable that the United States would attempt to contest the balance of power with Japan in the latter's own "backyard" by the construction there of extensive military establishments entailing huge expenditures — although for her to do so, if she so desired, would of course be wholly within her rights.

As for Great Britain, she already has the Singapore base, and in view of the traditional friendship so long maintained between her and Japan, the idea that she might be contemplating the addition of any extraordinary military establishments in the vicinity of our country must be dismissed as impossible. It may therefore be said that the treaty provisions relating to fortifications and bases have little or no practical bearing on the actual situation.

To the South Sea mandated islands we of course attach the greatest importance, for they constitute Japan's line of defense on the seas and would, if allowed to fall into the hands of another Power, become a very real and formidable menace to our security. But Japan, in strict compliance with the terms of treaty provisions relating thereto, has scrupulously refrained from constructing any fortifications or bases on these islands.

Japan has made considerable progress during the past forty years. Prior to the Russo-Japanese War, numerous bases were held by foreign Powers in close proximity to Japan. Russia had Port Arthur and Vladivostok; England had Weihaiwei and Hong Kong; and Germany had Shangtung. Today the situation is considerably changed. Russia occupies only Vladivostok, Britain is in Hong Kong, and Singapore, and the United States is in the Philippines. The result is that our navy's freedom in its sphere of activity has been somewhat enhanced.

The Manchurian incident took the world by surprise and caused it to focus its critical attention in our direction. But perhaps the manner in which our interests in Manchuria came into existence is worthy of more than passing consideration. The Sino-Japanese War was fought forty years ago; and it must be a fact self-evident to all students of Oriental history that it took no small measure of courage for Japan at that time to declare war on its overwhelmingly larger neighbor. Although Japan won a decisive victory, the choicest part of the spoils of that war was snatched out of her hands by foreign intervention. Ten years later we were engaged in another war, this time with Russia; and this was a war which the whole Japanese nation did its utmost to avoid, but in vain. For Japan this was a purely defensive war in which she staked her very destiny as a nation.

It was through life-and-death struggles such as these that Japan gradually built up her position in Manchuria. But the warring factions in China deliberately ignored the tremendous price which Japan had paid for her Manchurian interests and began to

devote themselves to campaigns of usurpation in the north. It is therefore to be hoped that those who would study the Manchurian incident and the subsequent development of events in that region will read carefully the history of the past half century. Only by so doing, and by giving due consideration to the part Japan has played as the preserver of peace in the Orient, and to the costly sacrifices she has made in the performance of that rôle, will a student be able to see the facts in their true light.

Japan's actions in Manchuria were animated by the firm conviction of her people that they were righteous and just. And they are naturally gratified to observe that in consequence of their action Manchukuo is now steadily acquiring the attributes of an independent nation. As a result, the machinery of peace has been strengthened in that region to such an extent that the chances of peace being seriously disturbed is now gradually diminishing. The fact that Japan was able to prevent the outbreak of a widespread conflagration, notwithstanding the numerous incidents which have occurred during the last few years, has been due in no small measure to her navy; and the Japanese people are coming to recognize more and more that the navy is an important factor in the maintenance of peace.

Order has at last been restored in Manchuria, and the various disturbances which were created by the Manchurian question are now quieting down. But today, before we have had time to forget the painful experiences of the immediate past, we have come face to face with the question of the naval treaties. Here it should be pointed out that the desire is strong among our people that Japan should be freed from all disadvantageous treaty restrictions at the coming disarmament conference. The feeling is so strong that this period is being termed a national crisis. For in Japan, as probably in other countries the world over, nationalistic sentiment is today asserting itself most vigorously.

There is a guiding spirit in Japan by which her every action must be ordered. There is a righteous path along which Japan must progress in order to maintain peace in the Far East and contribute thereby to the advancement and happiness of all mankind. That this path should be beset with innumerable difficulties is of course inevitable; but it is only through meeting and conquering obstacles that a nation can attain its full stature, for as the old proverb goes, a victim of adversity is but strengthened thereby. This may well apply also to the United States which has

grown from the status of an English colony to its present vigor and greatness; for her amazing development within a relatively short period must be attributed less to the abundance of her material resources than to the vigorous industry and positive, progressive spirit of the American people. And this is a fact which must ever be kept in mind by those responsible for the government of a country.

The abolition of the ratio principle through the revision of the naval treaties may or may not bring on a crisis for Japan. That, only time can tell. But from the standpoint of our national defense we must by our own efforts become truly self-reliant. In other words, we should spare no effort to nurse our strength to such a point that we can, as the well-known Chinese master of military science has taught us, confidently await the approach of our foe, instead of building hopes upon his not turning up at all. At the same time, however, we are not unmindful of the value of international friendship. We do indeed attach the greatest importance to our relations with other Powers and are constantly bending our efforts to that end. It was not by chance that the Imperial Rescript issued at the time of our withdrawal from the League of Nations bade us most strongly to seek friendship with other countries. If, through the folly or incapacity of statesmen, the relations between the United States and Japan should ever become badly strained, in the same way that the relations among some of the countries in Europe are today, and if the peace of the Pacific should be permanently upset thereby, that would be the most unfortunate thing that could happen, not only for America and Japan but for the whole world.

It cannot be too strongly stressed that the conviction of the Japanese people that ratios must be abolished is just as strong as was their demand for the abolition of extraterritorial rights. What we would ask of the highly armed Powers is that they cast aside the dictatorial attitude of forcing an inferior ratio upon our country, and that they be magnanimous enough to discuss with us the problems at hand in a spirit of fair play and on a basis of equality in all things. Just as the basis of equality and the principle of equal opportunity govern the relations between individuals today, so must they govern the relations between countries. Indeed, the trend of events points to the inevitability of that as regards the leading Powers.

Once we are able to stand on a basis of equality and to carry

on negotiations in accord with the principle of equal opportunity, then the problem of limiting naval strengths as a whole or of restricting the specifications of individual naval vessels should present no formidable barriers. It is our earnest desire that the nations, after having agreed on this fundamental principle, should carry out a radical reduction of their offensive armaments simultaneously with the strengthening of their defensive armaments, and that they should refrain from all aggression against one another as well as from making or possessing any arms in excess of the minimum required for self-defense.

We have been told by some people in America and England that the demand of the Japanese Navy for equal strength with the American and British navies is not within reason because it has far lighter responsibilities to fulfill than the latter. From the American or British standpoint the observation may seem reasonable enough. But to adopt it is to lose sight of the most important characteristic or attribute of naval power, namely its mobility. Past events bear eloquent witness to the fact that navies are concentrated in the decisive theater whenever necessary. And in recent years this attribute of mobility has been greatly augmented through improvements in the technique of naval construction, especially in the building of ships with long cruising radius, as well as through the development of air armaments. Suffice it to say, therefore, that we cannot afford to ignore this constantly growing factor of mobility which would enable navies to concentrate their power with a rapidity hitherto unknown.

It is sincerely to be hoped that the American people, in their traditional spirit of fair play, will understand the attitude which Japan has felt obliged to take toward the question of disarmament. If so, we need have no misgivings as to the relations between America and Japan, no matter how complex the interests of other Powers might become over disarmament. If the two countries will relegate selfish interests to the background and approach each other with determination to take a large view of the situation, then we may confidently expect that Japanese-American relations will become ever more friendly and that the mutual respect of the two peoples will continue to grow.

AFTER THE ASSASSINATION OF KING ALEXANDER

By Hamilton Fish Armstrong

THE Croatian and Macedonian terrorists who thought that by removing King Alexander they could break up the Yugoslav state and give "freedom" to Croatia and Macedonia, like their patrons in neighboring countries who played upon their fanaticism, ignorance and cupidity, saw in the King's visit to France an opportunity to carry out their long-planned plot. They saw also that it was almost the last moment when the execution of the plot might conceivably accomplish the results they desired.

To their dismay, King Alexander's prestige had been augmenting during the past two years, both at home and abroad. As long ago as 1927 Poincaré spoke to me of King Alexander as "one of the few statesmen of Europe." But not until recently did it begin to be generally recognized that he possessed political talents of the first order. This increase in prestige had come mainly from his patient handling of a series of difficult and dangerous international situations. He had helped strengthen the Little Entente, and had held it firm in the face of Italy's ambition to exercise the balance of power in continental Europe, between Germany and France, by increasing the weight of the discontented states at the expense particularly of the Little Entente. This ambition had been revealed in Italy's vigorous championship of treaty revision and her efforts to secure guardianship over Austria rather than participate in a general guaranty of Austrian independence or see Austria established as a self-reliant member of a Danubian economic confederation. He had succeeded in bridging the gap with Bulgaria; and as a result the rival Macedonian bands which had been plaguing the Bulgarian Government and using its territory as a base for operations in South Serbia had at last been broken up and scattered. He had made the experiment of paying a visit to Ankara, and had impressed Mustafa Kemal by his directness and vigor. This had helped make it possible for him to forward the project of a Balkan Entente without alienating Bulgaria, thereby, to Italy's disgust, securing the collaboration of Turkey and Greece in the maintenance of the doctrine of "the Balkans for the Balkan peoples." He had

held his nerve through the trying period when Italy was establishing her suzerainty over Albania; and in the end had been justified by seeing Italian influence there wane coincidentally with the decrease in Italy's subventions to her puppet-king, Zog the First. He had welcomed M. Barthou in Belgrade; and, taking advantage of Italy's belated realization that she would have hard work keeping Germany forever out of Austria single-handed, the two statesmen had planned together the first steps of a three-cornered Franco-Italo-Yugoslav rapprochement.

M. Barthou and King Alexander hoped that the rapprochement might be founded on Italy's acceptance, at long last, of the territorial *status quo* in the Danube valley and the Balkans, in exchange for French concessions regarding the position of Italians in Tunis, rectifications of the Libyan frontier, territorial concessions facilitating Italian projects in Abyssinia, and, finally, Yugoslavia's guaranty, mutually with Italy, of the independence and territorial integrity of Albania. The last would have safeguarded Italy's need for free passage of the Straits of Otranto, even though it did not satisfy fascist dogma that the Adriatic must be an Italian lake. But Italy's acceptance of the proposed agreement would have meant the cessation, for a time at any rate, of her prolonged effort to keep the Central European situation fluid until she could secure a special political and commercial position in Austria and with it a bridge to Hungary.¹

¹ Recent instances of this Italian policy: 1. The failure in 1932, before German and Italian opposition, of the Tardieu Plan for a general Danubian economic confederation. 2. Italy's proposal that the Four Great Powers assume responsibility, over the head of the League of Nations and hence without the participation of the Little Entente Governments, for decisions regarding treaty revision, disarmament and equality of rights, specific reference being made in the original draft of the Four Power Pact handed Ramsay MacDonald by Mussolini on March 18, 1933, to the situation of Austria, Hungary and Bulgaria. 3. Mussolini's insistence in his talks with Dollfuss at Riccioni in August 1933 that Dollfuss destroy Austrian socialism, one of the two principal Austrian bulwarks against Anschluss with Nazi Germany, but also the chief Austrian force opposed to Italian tutelage and the establishment of fascism in Austria. (This was a sequel to the Hirtenberg affair, in which the Austrian Socialists revealed that Italy was secretly arming Hungary. The "clean-up" of Austrian democracy finally occurred February 12, 1934.) 4. The Italian memorandum of September 29, 1933, which rejected the idea of a Danubian economic confederation and proposed bilateral commercial agreements, preferential treatment for Danubian agricultural produce, preferential treatment for Austria's industrial output, and preferential treatment by the Danubian states for imports from other states which purchase more in the Danubian area than they sell there. (The scheme departed from the Stresa proposals in favoring Austrian at the expense of Czechoslovak industry; and it promised important advantages to the commerce of Italy, the only nation not having a favorable balance of trade with the preferred states.) 5. The Rome Protocols of March 17, 1934, establishing a special economic relationship between Italy, Austria and Hungary. 6. The successful effort of Italy's delegates at Geneva, in September 1934, to prevent the adoption by the League of a resolution giving a new and general guaranty of Austrian independence, and the substitution of a colorless endorsement by Great Britain, France and Italy.

It is far from sure that Mussolini really was ready for a drastic reversal of program, despite the uncomfortable position in which he found himself as a result of having failed to foresee the full implications of encouraging the Nazis to pursue an aggressive revisionist policy. At Milan on October 6 he announced that Italy was so strong that "once again" he could offer Yugoslavia a chance to come to a real understanding. If Mussolini was ready for that, it was not "once again," but for the first time. M. Barthou himself shortly before his death had come to doubt that any understanding could be reached. Certainly there were many obstacles in the way. It was to plan how some of these might be removed that King Alexander embarked early in October for consultations in the French capital. But in the minds of the plotters, who wished at all costs to prevent an understanding which would end foreign support for their schemes, the prospect that the negotiation might be successful seemed sufficiently dangerous for them to decide that their action must be now or never.

It was not only King Alexander's successes in the foreign field that worried his Croat and Macedonian enemies and their patrons abroad. At home as well his position had been strengthened. Dissatisfaction with the dictatorial régime which in desperation he had established in 1929 had certainly not vanished. Many sincere and patriotic opponents remained unreconciled. But the most stubborn opposition consisted of professional politicians whose careers had come to an end and who would not accept the fact. Their plight had not aroused very much popular interest. The people as a whole saw that, although government graft had not been ended, it had decreased. They saw that necessary laws which they had waited for years for Parliament to enact had at last found a place on the statute books. They watched with pleasure the reduced participation allowed professional politicians in successive cabinets, and the increase in the number of ministers who qualified as experts and technicians. They approved the King's strengthening of the army and the improvement of army equipment, but noted with equal satisfaction that despite the attention which he paid to military affairs the influence of the army in politics had not grown but on the contrary had been brought under increasingly strict control. All sections (but Croats in particular) approved the King's foreign policy, especially his firm front against Italy and his efforts to strengthen the Yugoslav rear by coming to terms with Bulgaria. Above all, in the back of

their minds the people always held the memory of his service to the country in three wars. They did not forget that he had shared the lot of the common soldier in the darkest days of the country's history, that he had taken part in more actual fighting in the World War than all the heads of all the other states on both sides put together. They admired his courage, initiative and industry even when they did not like some of the particular things which he set out to do single-handed and without constitutional sanction.

The chief flaw in the domestic situation in recent years undoubtedly was the difficulty which King Alexander experienced in trying to institute a more decentralized system of government. The division of the country in 1929 into nine large provinces (*banovinas*) was a beginning; but the prerogatives given the provincial governors (*bans*), though important, especially in the field of social welfare, public works and finance, were not satisfactory either to extreme "centralists" or extreme "autonomists." This may have been just what the King wished; but it resulted neither in very efficient administration nor in satisfaction of the peasants' predilection for managing their own affairs. The reconstruction of a Parliament in 1931 showed again the direction in which the King wished to move; but it was a hand-picked body and did not become either authoritative or popular.

The real problem remained: how provide a competent decentralized administration while reserving to Belgrade the conduct of national affairs and the protection of national interests? To solve this problem would have been the crowning achievement of Alexander's dictatorial phase (he often said privately that the dictatorship was only a phase), for he then would have seen some prospect that if he permitted the reformation of political parties they would embody national instead of sectional ideals. The existence of truly national parties, based on differing theories of social policy, was in his mind an absolute prerequisite to the restoration of the normal prerogatives of Parliament. None of this, of course, would have satisfied the old-line party politicians; nothing that he had in mind would have done that. But it would have satisfied all but them and that small section of the political émigrés whose feelings had become so inflamed that they were willing to adopt terroristic methods and even to work with their country's national enemies provided only they could harm the hated régime.

It need be no secret today that for some time a group of the

King's advisers had been at work, under his direction, on a project of law considerably broadening the jurisdiction of the banovinas; that it was the King's intention to introduce this new law in Parliament soon after his return from France; and that he would not have been particularly distressed if some of the political members of the cabinet had opposed it, for that would not have prevented its adoption and would have afforded a suitable opportunity for completing the process of retiring the "old guard" from all posts of high responsibility in the government.

In the domestic field, then, as well as from the international point of view, if the murder of King Alexander were to provoke really disastrous consequences for the Yugoslav state, it could not longer be delayed. An attempt to kill the King during his visit to Zagreb in December 1933 had been foiled, and the warmth of his reception in the old Croatian capital had in itself constituted a political fact which opponents of the régime had to take into account. The confession of the would-be assassins on that occasion that they had been trained for the task in émigré camps in Italy did not save two of them from execution.² The plot to kill the King at Marseilles was better planned, and was favored by the inexplicable failure of the French police to provide the most elementary protection.

The Marseilles assassins struck a blow at the Yugoslav union and a blow at the post-war structure of Europe. They succeeded in killing King Alexander, and with him his friend and collaborator, M. Barthou. But they failed to achieve their real objectives. The admirable sang-froid of the Yugoslav government and people, and the strong will to peace which still prevails in a number of European capitals, permitted the Continent to weather the blow as it had not been able to weather that struck at Sarajevo twenty years before. And as the world watched the funeral train pass

² For an account of the trial of Oreb, the man assigned to make the attempt at Zagreb, and of two of his accomplices, see the daily press of Belgrade and Zagreb during the course of the trial, March 19-24, 1934, when the testimony of the accused was printed verbatim. They confessed that they had been trained in Italy, at Borgotaro and Vischetto, where there were camps of 50 or 60 Croat and other émigrés belonging to Dr. Ante Pavelitch's terrorist organization "Ustacha." There they had lived in barracks, worn uniforms and learned to drill, shoot, tap telephone wires and throw bombs. Of much interest, in view of later events, was Oreb's statement that the training camp in Italy was often visited by Dr. Pavelitch, Dr. Milo Budak, Pertchevitch, Dr. Gustav Perchetz, and others of the "Ustachis" whose names since Marseilles have become well known. No comment on the revelations made at the trial ever appeared in the Italian press, nor did the Italian Government make any protest or denial concerning the confessions and allegations brought forward in circumstantial detail in public court. For recent light on the case, with photographs of the camps at Borgotaro and Vischetto, see *Vreme*, Belgrade, October 24, 1934.

slowly through weeping crowds, from one edge of the land almost to the other, it wondered whether the King by his death might not have established even more firmly than he could in life the unity of the Yugoslav state and the determination of the Yugoslav people that no power should rob them of that unity, bought dearly in a century of struggle and now sealed with the blood of the great-grandson of their first national leader.

II

Something must now be said about the origins of King Alexander's dictatorship. Most Americans and West Europeans are instinctively opposed to a dictatorial form of government, not merely because of the toll it gradually takes in a people's intellectual and moral fibre, and because it lends itself to adventurous foreign policies, but because it has no satisfactory exit. It seems bound to end either in a chaotic struggle for power, or at the best — and this may be the case in Yugoslavia today, because it is a comparatively small and backward country — in a period of dangerous uncertainty as to what forces and persons are to direct the necessary reorganization and chart the new paths, domestic and foreign.

Alexander did not become a dictator because he was avid for personal power, or because he was vainglorious, or because he dreamed of pursuing a policy of prestige and national expansion. His father had translated Mill "On Liberty" into Serbian; and he himself had been reared on principles of individual and national freedom. He did not imagine that he was founding an original philosophy of government, or that the government forms which he adopted were anything but the best that seemed available at the moment. He had nothing in common with the dictatorial demagogues of post-war Europe who grimace or shriek. He had no high-pressure advertising agents and no propaganda machine for hurling his opinions through the ether upon the ears of his subjects and neighbors. There was nothing theatrical or meretricious about him, either in appearance or action. He simply had come reluctantly to the conclusion that there could be no further delay in clearing the government of financial scallawags and party hacks, most of them veterans either of the little pre-war Serbian political arena or of party life in the Yugoslav provinces of the old Hapsburg Empire where obstructionist tactics formed the sum total of political activity. There were some

able and conscientious men in public life; but their efforts seemed always to be dissipated in the endless permutations and combinations of party politics. The King felt that party intrigues and bickerings had destroyed the prestige of Parliament and reduced to the vanishing point popular faith in government itself. The country seemed not far from civil war and was certainly in no condition to stand up to hostile neighbors. In the King's judgment, his duty as sovereign required him to take the hazardous step — he knew its drawbacks perfectly well — of assuming direct control of and responsibility for the conduct of affairs. He thought that not to act would be more dangerous than to act. He imagined fondly that he would be able to clean house in a year or so, perhaps even in a few months; that after rallying to his service non-partisan experts and the more honest and self-sacrificing of his former political advisers, he could foster the establishment of at least one party able to rise above sectional interests; and that he would then be able gradually to restore political liberties.

It is important to recall, even if only briefly, the exact circumstances in which King Alexander acted on January 6, 1929, when he dismissed Parliament and called on General Zhivkovitch, commander of the royal guard, to form a non-party cabinet.*

Six months earlier the leader of the Croatian peasantry, Stephen Raditch, a man of capricious temper and limited knowledge of the world, but sincere in the sense that one can say a demagogue is sometimes sincere, had been killed in Parliament by a fanatical Montenegrin who became enraged by the obstructionist tactics and taunts of the Croatian deputies. These latter, who had finally come to Belgrade in 1924 after protracted negotiations entered into by the Serbian politicians at the absolute insistence of the King, packed up and went back to Croatia *en masse*, announcing that never again would they have any dealings with Belgrade. The death of Raditch was calamitous, for though he had fluctuated between devotion to the Hapsburgs, Croatian republicanism, allegiance to Moscow, and acceptance of the Yugoslav kingdom, he was susceptible to friendly suggestion and skilful handling, and King Alexander in the end had been able to establish excellent personal relations with him.⁴ A protracted crisis set in. The fury

* For a contemporaneous account of the royal *coup d'état* see the author's "Where the East Begins" (New York: Harpers, 1929), Chapter I.

⁴ The King's action in hurrying to the bedside of Raditch after he had been shot possibly saved the country from civil war.

of the Serbian and Croatian press vied with the vituperations and menaces of politicians on both sides. Italy, Hungary and Bulgaria were enchanted.

It was a situation with which King Alexander had become only too familiar. In ten years he had been faced with twenty-five cabinet crises. Immediately after the war he had been introduced to what an editorial in the London *Times*⁵ called Raditch's "indefinite ideas of irresponsible opposition to which Croatia was habituated under the old Hungarian régime." In the elections to the first Constituent Assembly the Croatian Peasant Party of Raditch had won fifty seats, forming the fourth largest single group; but they had refused to participate in the work. All through 1921, 1922, 1923 and well into 1924 they had similarly refused to have anything to do with the Parliament at Belgrade, the while Raditch preached something which one day sounded like "separatism" and "republicanism," the next like "confederation" and "autonomy." On a number of occasions I talked with Raditch about his program. I do not think he ever decided just what he wanted, or that he would have been satisfied for long even if once he had made up his mind and then had been granted his demands *in toto*. On the other hand, even during the war Alexander had had to cope with the entrenched ideas of Serbian leaders like Pashitch (and others still narrower than he) who never really understood the idea of a Yugoslav union. In the critical first years of the new state's life he had seen these turn away from any genuine acceptance of the obligations which a union of equals entailed; their Serbian patriotism had been so hardened in the fires of the Balkan Wars and the World War that it was impossible for many of them ever to become Yugoslavs.

The difficulty of finding middle ground between Raditch's constantly shifting position and that of the Serbian leaders who were obstinately set on pressing ahead with a centralized form of government did not deter the King from persisting in the attempt. A particularly favorable moment seemed to come when the Raditch party lost ground in the elections of February 1925. The King was determined if possible to secure Croat representation in a concentration cabinet. In July he actually succeeded; and in November Raditch himself entered the Cabinet as Minister of Education. The next couple of years were neither calm nor harmonious. But at least Parliament was a national body so long

⁵ April 5, 1922.

as the Croat deputies were present, and there were grounds for hoping that in course of time, perhaps as various intransigent or erratic leaders disappeared naturally from the scene, national parties would evolve to take the place of the sectional parties and the groups formed around autocratic personalities. To that hope the murder of Raditch seemed to put an end.

As the situation went from bad to worse King Alexander came to the conclusion that bold action alone could forestall the actual dissolution of his young country, the various sections of which, though of the same race, had received very different sorts of training and were quite unbroken to the give-and-take of family life. In a conversation some months earlier he had told me that he was determined at any cost to prevent the break-up of the country due to the inability of the Constitution and Parliament to compromise discordant interests and safeguard the rights of various sections. He added that if ever he felt compelled to act he would proceed on his own responsibility and would avoid either a military dictatorship or a dictatorship by party or sectional leaders. But before he felt impelled to drastic action an opportunity arrived for a further attempt to conciliate Raditch's successor as head of the Croat Peasant Party, a small-town lawyer named Dr. Vlatko Matchek, an honest but *borné* man, and his colleague Svetozar Pribitchevitch, a prominent Serb from Croatia who had recently joined the Croatian opposition.

The King was encouraged to believe that a fresh effort was justified because Mr. Davidovitch, the leader of the Democratic Party, one of the component elements in the coalition cabinet of the day, told him that the latest Croat demands had been communicated to him and that they were not unreasonable. Davidovitch said that as the Croats would not negotiate officially with the existing cabinet, he intended to bring about the cabinet's fall by proposing (a demagogic measure) to indemnify the peasants for recent bad crops, even though no resources were in hand to permit such a cash disbursement. His idea seemed to be that during the ensuing elections he could make peace with the Croats, that the slogan of a bonus for the peasants would win him wide support, and that he then would form a cabinet with the Croats as partners. The King requested Davidovitch to avoid provoking a cabinet crisis until after the new budget had been adopted; but he refused. When the cabinet actually fell, the King according to parliamentary custom sent for all the party chiefs. Among these,

of course, were Matchek and Pribitchevitch. Here was the occasion for a final effort to persuade these leaders to recognize the national government and return to parliamentary life.

With Pribitchevitch, as a matter of fact, the King could have little commerce. He had joined the Croatian opposition after running with lightning rapidity through every shade of political opinion, at one moment calling for Raditch to be hung, the next clasping him to his bosom — a man of energy, mercurial temper and a strange combination of fanatical patriotism and an egoism which led him to identify his personal well-being with the well-being of the state.⁶ His ambition was to form a patriotic front on fascist lines; and the King had no intention either of pursuing a violently nationalistic foreign policy or of playing a Victor Emmanuel to the strutting of a Mussolini from Croatia. But with Matchek the King talked earnestly for two days. Not long thereafter the King gave me an account of those conversations and an exact description of the demands posed by Matchek, reading them to me from the entries which he had made in his diary in Matchek's presence. Incidentally, the demands harmonized with what I had previously been able myself to ascertain in talks with Matchek, though they now were expressed in much more detail and with solemn finality.

The demands put forward by Dr. Matchek in his talks with King Alexander on January 4 and 5, 1929, were of historic importance, because they led directly to the royal *coup d'état* of January 6. In their first conference the King asked Matchek to state the Croatian *sine qua non*. In reply, the Croat leader demanded that elections be called at once for a Constituent Assembly to draw up a new Constitution. The King must agree, he said, that under that Constitution the country would be divided into seven states with "historic frontiers," each with a separate legislature and a separate administration.⁷ Delegations from these state legislatures would meet at Belgrade to supervise foreign relations. But the control of education, commerce (except foreign), finance (except international loans), railways, telegraphs and even the post-office, would remain in the hands of the local assemblies. Finally, the army was no longer to be national, but each

⁶ Those interested in forming their own picture of Pribitchevitch, and in studying his case against King Alexander, are referred to "La Dictature du Roi Alexandre," by Svetozar Pribitchevitch (Paris: Bossuet, 1933).

⁷ These seven states were to be Serbia, Croatia, Slovenia, Voivodina, Bosnia-Herzegovina, Montenegro and Macedonia.

state would raise its own forces and these could not be called upon for service outside its borders except with the approval of the local legislature. The King did not hide from Matchek that these demands seemed to him impossible of acceptance. But he discussed them in great detail and in a friendly spirit, and said that the conference would be resumed the next day after Matchek had had a final consultation with his colleagues. The next day Matchek said that he stood pat on what he had asked, except that on reconsideration the Croats thought that their state should include parts of Bosnia-Herzegovina, as well as Dalmatia, thus giving it control of the whole Adriatic coast as far south as the Bocche di Cattaro, and that in return they would allow the Serb state to include Macedonia and the remainder of Bosnia-Herzegovina. The number of proposed states would thus be reduced from seven to five.

In other words, King Alexander was faced with a demand for the creation of an autonomous Croatian state, probably with boundaries which had never existed in history and including large numbers of Serbs, and in any case possessing functions which he was convinced could not be exercised without disrupting Yugoslavia's economic and political unity. Moreover, the acceptance of Dr. Matchek's demands touching the army would have meant that military service would no longer play a part in domestic unification and that the army could not efficiently protect Yugoslavia against foreign aggression. When the King informed Davidovitch of the Croatian program he threw up his hands in horror. It was apparent that in order to give his party an occasion to make a demagogic electoral appeal he had been willing, without having reached any solid basis of understanding with the Croats, to plunge the country into a crisis at a moment when sectional passions were already at a dangerously high pitch. The King saw no ordinary exit from the situation. He told Dr. Matchek that the Croat demands were impossible, and the next day, January 6, he dissolved Parliament and issued his famous proclamation addressed "To my beloved people, to all the Serbs, Croats and Slovenes."

"The hour has come," said King Alexander in his proclamation, "when there must no longer be any intermediary between the People and the King." Parliamentary institutions, he said, had remained his ideal. "But," he added, "blind political passions abused the parliamentary system to such a degree that it became a hindrance to all profitable national work. . . . Agreement —

even the most ordinary relations between parties and individuals—became utterly impossible. Far from developing and strengthening the idea of national unity and the state, parliamentary methods began to provoke spiritual collapse and national disunion.” “It is my sacred duty,” he continued, “to safeguard the national unity of the state at all costs. I have resolved to fulfill this duty unhesitatingly to the very end. The supreme ideal of my reign is to maintain the union of the people. This ideal ought to be the supreme law not merely for me but for each individual. It is imposed upon me by my responsibility toward the people and before history, by my love for the country, and by my sacred regard for the innumerable and precious victims who fell in behalf of this ideal. To seek to remedy the present evil situation by a parliamentary change of governments or even by new elections, as has been done heretofore, would be to lose valuable time in more futile attempts of the sort which have absorbed us for several years. We must look for new working methods and blaze new trails.”

It has been possible to set down here only a scanty outline of the situation which seemed to the King so dangerous that he felt justified in taking the risky course of imposing a dictatorship on a virile and liberty-loving people. Nor will there be room to indicate more than a few of his subsequent energetic actions.

With General Zhivkovitch as Premier, and with the help (or hindrance) of various political leaders, some newcomers, some selected from the old ranks, the King set himself to the task of administrative reform. Abandoning the 33 small administrative subdivisions, and cutting across the old “historic frontiers,” he created nine new provinces, or *banovinas*, with boundaries based on economic considerations and with capitals in Zagreb, Ljubljana, Cetinje and other main cities. He changed the name of the state to Yugoslavia, a name satisfactory to the Croats and Slovenes because it eliminated the priority implicitly accorded the Serbs in the name “Kingdom of Serbs, Croats and Slovenes.” He promulgated a legal code (in ten years of debate Parliament had never succeeded in establishing a uniform code superseding the contradictory codes inherited from pre-war Serbia, Montenegro, Austria and Hungary). He established an Agrarian Bank. He increased the representation of Croats and Slovenes in Yugoslav diplomacy and in the Yugoslav army. He ordered the dismissal of large numbers of superfluous officials, and cut salaries drastically. He undertook the pacification of Macedonia, not so much by reinforcing the troops there as by spending money on roads, markets and schools, and by arming the peasant communities so that they themselves were in a position to resist *comitadji* incursions from Bulgaria.

Little by little the King squeezed the "professionals" out of posts where experts and technicians could serve more efficiently and honestly. He of course met with bitter opposition from the entrenched political interests of the country, nor were his difficulties diminished by his dynasty's obligations to those who had served it in the dark days when all that was left of Serbia was an army in exile. Moreover, he soon found how great was the dearth of suitable new personnel for carrying out all his projected reforms. Despite these obstacles he persevered, and the measure of his success can be gauged from the composition of his last cabinet, in which one can say that out of the fourteen members at least ten had been chosen for merit and efficiency in their special line of work, and that not more than four were to be counted as professional politicians with old party ties.

Of the foreign policy pursued by the King after the *coup d'état* something has already been said. Basing himself on the alliance with France and the preservation of the peace treaties, he was a firm supporter of the Little Entente. His main preoccupation, of course, was to find the means to resist Italy's efforts to spread her influence across the Adriatic into Albania and to secure a dominant position in Austria, Hungary and Bulgaria by supporting the revisionist claims of those states. On at least one occasion of which the writer has detailed knowledge King Alexander made personal advances to Mussolini with a view to bettering the political and economic relations of the two countries, asking only Italy's recognition of the territorial *status quo*. Mussolini's excuse for refusing was always the same: the Yugoslav state and the Karageorgevitch dynasty were so unstable that he could not afford to come to a final settlement with them.

Towards Bulgaria, King Alexander showed unusual qualities of statesmanship. Indeed, the Yugoslav-Bulgar rapprochement which he and King Boris inaugurated something over a year ago was one of the most promising events in post-war Europe. In King Boris he found an intelligent collaborator, one who showed that he too was willing to take personal risks for what he considered the good of his country. Some nations claiming superior wisdom and a more ancient culture might well emulate the good sense and initiative of these two Balkan rulers. The full measure of their accomplishment in bringing to more friendly terms two peoples divided by the memories of recent and bitter wars can be appreciated, perhaps, only by those who remember the condition of Yugoslav-

Bulgar relations a few years ago and who recognize, as those who have not been frequently in the two countries in question can hardly do, what would have been the dangers of the month of October 1934 if the Marseilles murder, in which the Yugoslav King fell victim to the shots of a Macedonian terrorist in league with Croatian émigrés, had occurred *before* the Bulgarian Government, encouraged by King Alexander's friendly intervention, had proved that it was master in its own house and had cleared Bulgaria of the Macedonian bands.

III

Belgrade was half-deserted — politically speaking — when the news of the assassination arrived. Parliament was not in session. Mr. Jevtitch, the Minister of Foreign Affairs, had gone to France to be with the King and Queen. It was on Prince Paul Karageorgevitch, the King's first cousin, aged 41, that the burden of the initial decisions fell.

This was as the King had planned, for he had left with Prince Paul a political will in which a regency was set up with him at its head. Prince Paul sent at once for Prime Minister Uzunovitch, General Zhivkovitch, the Commander of the Royal Guard, the Prefect of Belgrade, and one or two others. The Prime Minister, it is said, went to the Palace rather unwillingly, being busy with ideas of his own as to what sort of regency should be set up and not yet knowing how far-sighted King Alexander had been and what detailed provisions he had made in case of his death. In the presence of this gathering Prince Paul handed the Prime Minister a sealed envelope inscribed in the King's hand, "This is my autograph will which I have prepared in accordance with Article 42 of the Constitution of September 3, 1931." Briefly, the will set up a regency of three, the two others beside Prince Paul being Dr. Radenko Stankovitch, a former Minister of Education, Alexander's physician and personal adviser, and Dr. Ivo Perovitch, the Ban of the Save (Croatia). Of the two co-regents neither was a product of pre-war Serbia — Perovitch having been born near Zara, in Dalmatia, Stankovitch at Sokolovac, in Slavonia. And, most strikingly, neither was a military man and neither was a professional politician. A suggestion by Premier Uzunovitch that publication of the will might be delayed is reported to have brought from Prince Paul the statement that if the Premier did not publish it he would.

The choice of regents at first surprised the country. But surprise gave way to relief that the King in this final act had been able to indicate how he wished the country to be steered, without generals or politicians in posts of power above whatever might be the government of the day, and — of supreme importance — in the spirit of national unity and reconciliation. The King's choice took on added significance when it was remembered that Dr. Stankovitch had resigned from the Srshkitch Cabinet because the Premier disapproved of negotiations which he had been carrying on with leaders of the Croatian opposition, including Raditch's son-in-law, August Kosutitch. As for Dr. Perovitch, he had been the chief of the group of officials engaged in elaborating the project of law, already referred to, by which the King planned to extend the jurisdiction and authority of the banovina governments. That the King should have chosen these two men as regents reveals the whole tenor and direction of his policy: the reconciliation of sectional groups within the state on the basis of the maintenance of the union, enlarged local autonomies, and equal treatment for all. Was it not recognition of this fact, besides natural abhorrence for the crime itself, that prompted many chiefs of the extra-Parliamentary opposition (including Dr. Koroshetz, the Slovene leader, Dr. Matchek, the Croatian leader, and Dr. Spaho, the Moslem leader from Bosnia) to forget their personal bitterness toward Alexander when they heard of his murder and to dispatch to Belgrade messages of sorrow and sympathy?

The question of the regency settled, the regents, the army and the members of Parliament promptly took the oath to the new King, little Peter, born September 6, 1923; the Cabinet of Mr. Uzunovitch resigned, but was asked by the regents to continue in office; and the country turned to the sad duty of burying Alexander.

There probably has never been a funeral of just such a nature. It was not the presence in this little Balkan city of European royalty and of the Presidents of France and other republics that gave it a particular character; nor was it that in the funeral procession marched military detachments sent by the governments of Great Britain, France, Czechoslovakia, Turkey, Rumania and Greece, though such an assortment was varied and picturesque beyond precedent. It was the unanimity and depth of the national sorrow, manifested with particular emphasis in parts of the country reputed to be discontented and disloyal, that made so pro-

found an impression. Among those who were most surprised were some of the American and British correspondents who came on assignment from Vienna or Rome, capitals where it had long been coffee-house doctrine that King Alexander ruled by force alone and — the precise contrary of the truth — with the design of preserving the hegemony of the Serbs over their Croat and Slovene brothers. Along the whole route of the funeral cortège, up the winding railway from the Dalmatian coast through Bosnia to Zagreb, thence across the Croatian plains to Belgrade, the peasants flocked in by the hundreds of thousands, to kneel weeping in the little stations where the train paused or beside the tracks as it passed slowly by. The up-surge of national sorrow — real as tears are real, for propaganda can do much but it cannot make people weep — must have been a surprise to those who had plotted the assassination, and grievously disappointing to them in whatever degree they had participated in the plot for any reasons except to revenge some personal suffering, some wrong, real or imagined, at the hands of King Alexander's government. For when the country realized that the King was indeed dead, and how he had died, at that moment it felt more closely knit in the spirit of the national policies which he had adopted than it had been since the day in November 1918 when the Croatian and Slovene national delegations, meeting exultantly in Zagreb, had called on the young Prince Regent to accept the throne of the new triune kingdom.

Prince Paul possesses one virtue of superlative importance in the head of a regency — he is entirely loyal and entertains no selfish ambitions. Another quality which goes far to counterbalance his lack of experience in the actual conduct of affairs is the fact that he has no political ties or obligations (he promptly expressed a desire for the collaboration of the younger generation). The fact remains that at best a regency is not a strong or satisfactory method of government, and it is hard to think of a regency composed of three persons acting vigorously on its own initiative as King Alexander was accustomed to act. It would not be strange if some politician or military man were tempted to try to play the dictator; nor can the members of the regency count on always finding themselves in harmony. The difficulties ahead of the regents are enormous. But it is a good omen that so far they seem to have been able to checkmate the political manœuvres which they at once began to face.

The day after King Alexander was buried, Prime Minister Uzunovitch presented his resignation for a second time, giving as reason that he thought the government should be strengthened, but more probably, many suppose, with the idea of forcing the regency to allow him to reform his cabinet by expelling the ten non-political ministers and replacing them by his own henchmen. Certain Serb nationalists had been talking of something the same thing, namely a strong all-Serb cabinet to rule with an iron hand. On the other side, it had been suggested in many quarters that the regency ought at once to call for Uzunovitch's resignation and set up a cabinet of "national union" containing political leaders of all factions. To Premier Uzunovitch, Prince Paul presumably said that he approved his idea of strengthening the cabinet, and suggested that it could be done by adding two former Prime Ministers as ministers without portfolio, and by nominating General Zhivkovitch as Minister of War. He intimated that any other reformation of the cabinet would have to begin at the top. Thus Mr. Uzunovitch's manoeuvre failed. The suggestion to abandon King Alexander's objective of national union and set up an exclusively Serb government was of course not even considered. To the other suggestion, that a cabinet at once be formed containing all factions, Prince Paul seems to have replied that the basis for collaboration would not be lasting if it were agreed upon hurriedly, implying that, pending a settlement of fundamental questions of state organization, a non-party cabinet would be more in harmony with the policies of the late King than an all-party cabinet.

At the moment the decision probably was wise. The regency could not risk opening the door to a renewal of the party dog-fights of 1920-28; without King Alexander's firm hand and personal prestige they would be disastrous. But that does not mean, one hopes, that the present opportunity to heal old wounds and gradually to abandon old and entrenched positions will be passed over. Serb "centralists" and Croat "autonomists" may both have become somewhat chastened by now and ready to participate as equals in a régime intended to evolve slowly in the direction of moderate liberalism. Petitions have been presented to the regency by leading personalities in economic, academic and literary life in all parts of the Kingdom, asking amnesty for political prisoners and the holding of free municipal elections. The character of the regents should make them favorable to a policy

of appeasement. They have already been able to arrange for the resignation of one of the ministers least in harmony with such a policy and least suited to office — Minister of Justice Maximovitch. All that is known of Foreign Minister Jevtitch indicates that he will transmit sympathetically to his colleagues the advice of friendly foreign governments that the basis be laid as rapidly as possible for the collaboration of all parties which recognize the national union. Army support for such a policy will be particularly useful and it is to be hoped that through General Zhivkovitch the regency can secure it on the terms established by King Alexander, *i.e.* that it shall not lead on the one hand to military interference in the conduct of the government or on the other to the intrusion of political considerations into army affairs.

While those charged with the conduct of domestic affairs were busy trying to bridge the gulf caused by the King's assassination, the international repercussions of the crime were reverberating throughout Europe, not only in France and the states partners of Yugoslavia in the Little Entente and the Balkan Pact, but also in the two capitals where dislike and fear of Yugoslavia has long been most pronounced — in Rome and Budapest. It was inevitable, in the light of the vigorous political support long given by Italy to Yugoslavia's national enemies, and in particular since the trial of Oreb had revealed the use of Italian territory for hatching plots against the life of King Alexander, that the first tendency of Yugoslav opinion was to blame Italy for what had been done at Marseilles. This was counteracted by the Italian Government's generous expressions of sympathy and by the moderation and dignity displayed by the Yugoslav Government and press.

It soon came to light, however, that the actual assassin, Vlada Gheorghieff, *alias* Kelemen, a Macedonian émigré, had recently been a member of Gustav Perchetz's band of Croat émigrés at Jáanka Puszta, a farm in southern Hungary less than four miles from the Yugoslav frontier, where (according to the confession which his comrade Rajitch made to the Swiss police) they were trained by former Hungarian army officers to shoot and to throw bombs. It was recalled that the Yugoslav Government had protested to the Hungarian Government in a note dated March 13, 1934, against the training of these émigrés almost on the Yugoslav frontier, at the same time citing the names of Hungarian officials, officers and professors who had maintained relations with them over a long

period.⁸ As these matters became understood in Yugoslavia, popular wrath against Hungary could not be restrained. And it also soon revived against Italy when it became known that the head of the terrorist organization, Dr. Pavelitch, and his lieutenant Kvartenik, had been living in Italy (although they also were often seen in Vienna, Budapest and Berlin), and actually were there at the time of the Marseilles shooting; further that Perchetz, the head of the camp at Jánka Puszta, had been one of the men mentioned in Oreb's confession as a frequent visitor at the émigré camps in Italy, and that the Italian Government had previously refused to extradite these men to Yugoslavia to answer charges of terrorist activities brought against them in Yugoslav courts.

There can be no doubt, indeed, that the "Ustacha" organization which carried out King Alexander's murder was widespread and that it was generously supplied with funds; and it was difficult for the Yugoslavs to believe that large camps of a semi-military nature could be maintained in countries where police supervision is so thorough as it is in Italy and Hungary without the connivance of the authorities. It was recalled that the murder of the Rumanian Premier, Ion Duca, had been carried out only nine months earlier by members of the Rumanian "Iron Guard," a Rumanian fascist organization with close connections in Italy. Nor was the killing of Dollfuss, on orders from Nazi Germany, forgotten. True, assassination is one traditional method of political action. But did not assassination organized on a large scale with the connivance of governments or groups of governments introduce considerations different from those of former days when individual fanatics, carried away by nationalist or religious or social zeal, killed some ruler or chieftain who stood in their way? Was the world not faced with a new phenomenon in these carefully hatched plots, in which the assassins were widely recruited, carefully trained, supplied with arms, a variety of passports and large amounts of money, and then systematically transported across three or four countries to do their work?

The governments of the Little Entente — Yugoslavia, Czechoslovakia and Rumania — took this view, and they were supported by the governments which had joined Yugoslavia and

⁸ To that note the Hungarian Government had replied on April 26, 1934, that it had taken steps to evacuate the camp at Jánka Puszta "some time ago." Cf. League of Nations documents C. 190. M. 79 (Geneva, May 12, 1934) and C. 239. M. 99 (Geneva, June 15, 1934).

Rumania in the Balkan Pact, namely Turkey and Greece. In a joint meeting held in Belgrade the day after King Alexander's funeral the Foreign Ministers of these five governments issued a sober but strong communiqué. They noted the systematic efforts being made to overturn the peace treaties and to weaken certain states by assassinating their leaders, pointed out that these attempts were planned on foreign soil, called for the identification and punishment of the guilty parties, and added this warning: "If the necessary international measures are not taken, and carried out in loyalty and good faith, new and most serious disputes will necessarily follow."

One Italian paper headed the communiqué of the Little Entente and Balkan Entente: "Blackmail!" The term seems a strange one to apply to those who wish to maintain peace, keep their own property, and prevent murder. It ought not to take the sacrifice of others engaged in holding together the European fabric — Masaryk or Benes or Titulescu or Jevtitch or (now a particularly likely target) King Boris — before it seems natural and reasonable to say "*Stop!*" As a matter of fact, no action that Yugoslavia has yet taken as these lines are written can be described as precipitate. It was not until six weeks after the Marseilles crime that (acting under Article XI, Paragraph 2, of the League Covenant) she laid before the League of Nations the full *dossier* assembled by the French, Yugoslav, Swiss and Belgian police, together with a summary of her protracted correspondence with Hungary regarding the alleged connivance of Hungarian authorities in the preparation of terrorist acts. She demanded that the Council study the case, fix responsibilities and suggest methods of preventing further outrages. It was in harmony with her calm demeanor at the height of the crisis that she should have appealed to the conciliatory provisions of the Covenant, not to its punitive provisions. France meanwhile requested Italy to extradite Dr. Pavelitch and his associate, Kvaternik, specifically implicated in the plot by the confession of the actual assassin's arrested accomplices — Kralji, *alias* Malny, Pospichil, *alias* Novak, and Rajitch, *alias* Beneš. Pavelitch has long been well known internationally as the head of the Croat terrorist movement and author of bloodthirsty threats against King Alexander in the Croat émigré papers printed in Berlin and elsewhere. The French request for extradition was refused. Italy had precedents justifying her in refusing to comply; and it is fair to

say that, legal considerations aside, she would have found it difficult to do so.

Perhaps one result of the affair might be the adoption of an international convention to regulate the future behavior of political émigrés who have been convicted at home of specific crimes of violence. They might be required to register with the police of the country where they seek refuge, to report weekly, and to give notice of changes of domicile. This would put responsibility for assassinations, bombings and other terroristic acts planned abroad not only on the actual conspirators but also on the police of the country supposed to supervise their daily activities. Limitations might also be set on the right of states to issue passports to non-citizens. It is hard, however, to imagine that Yugoslavia can exact any tangible satisfaction for the killing of King Alexander, or indeed that satisfaction can ever be exacted for such crimes unless the aggrieved nation is prepared — as Austria-Hungary was prepared in 1914 — to resort to the hazards of war.

In trying to chart the probable course of events in the Balkans, observers in the next few months will attentively watch Italy's policy toward Austria, especially in the light of Chancellor Schuschnigg's negotiations with the Austrian Nazis; the efforts of Premier Gombos of Hungary to devise some basis of understanding — even if only temporary — between Fascist Italy and Nazi Germany; and above all the progress of the impending negotiations between Rome and Paris. They will also be interested to see whether they can detect any change in Belgrade's attitude toward Berlin. So long as King Alexander lived, the tie with France was unalterable. The murder of the King on French soil in circumstances discreditable to the French police authorities chilled Yugoslavia's traditional admiration for France; and even the extraordinary efforts made by the French Government to demonstrate its sorrow and dismay were not entirely successful in removing the impression caused by the inefficiency of the French Minister of the Interior and his agents. That does not necessarily portend a weakening of Yugoslavia's reliance on France and the other states of the Little Entente, much less her entrance into the German orbit. German economic interests have always been pronounced in the Danube valley and the Balkans, and doubtless they will revive and increase. Yugoslavia will attempt to profit from German efforts to make her a good customer; and if she sees evidence that Italian policy continues to be dominated by the

wish to weaken and destroy her, then she may indulge a tendency to exploit German economic favors as a counterweight. Something of the sort occurred last spring, when the German and Yugoslav Governments chose the moment of the signature of the Rome Protocols between Italy, Austria and Hungary to themselves make a new commercial treaty.

France is in a dilemma. Is the prospect of reaching a definite and dependable understanding with Italy sufficiently promising to make it worth while to accelerate negotiations at Rome which might easily turn out to weaken French ties with the Little Entente? Foreign Minister Laval will have to determine this in his first talks with Signor Mussolini, or perhaps even in advance. It is indeed to be hoped that the Italian Government will have become so conscious of its present isolation in Europe, and will feel it so desirable to strengthen every possible defense against Germany's eventual absorption of Austria, that she will bring herself to accept the *status quo* on the Adriatic and along the Danube.

England's advice in that direction would be useful. That it may perhaps be offered can be inferred from the unusually explicit statement made by Sir John Simon on October 20, in which he said:

"Yugoslavia is now a great state created by a combination of elements which came together under a single sovereignty after the war, and, whatever may be the difficulties and problems of its internal government and organization, the sentiments of its various peoples show no wish for its dissolution. . . . As firm friends of peace, we feel sure that it is in the interests of Europe as a whole to facilitate the difficult task which confronts the new Yugoslav Government, and that a strong, united, prosperous, and contented Yugoslavia is a major European interest."

With that statement of his country's position King Alexander would have been well content. And for a personal epitaph he would have asked nothing more than the following words of the London *Times*: "It is to his credit that the Balkans have become more peaceful than at any time during the last sixty years."

FRANCE, RUSSIA AND THE PACT OF MUTUAL ASSISTANCE

By *André Géraud*
(*"Pertinax"*)

FOR almost a year French diplomacy has been striving to work out a pact of mutual assistance based on the military force of all those countries which feel themselves threatened by Hitler's Pan-Germanism and which wish to save the peace of Europe.

The enterprise has involved rather tortuous negotiations in view of the concessions of form which the French Foreign Office has thought it advisable to make in order to forestall possible unfavorable reactions — a reaction, for example, by French public opinion, which already is uneasy about the pledges given by France in Eastern Europe and which looks upon any understanding with bolshevism as a bitter pill; a reaction in England, where many people still are obsessed with the baseless notions which have prevailed in that country for fifteen years past; and a reaction in Italy, where the alarm is sounded every time there are any signs of an assertion of French influence in Central and Eastern Europe. The French scheme has therefore been laden over with verbal glosses and decorations designed to distract people from its actual purport. But the attentive observer cannot have the slightest doubt as to the objective of the French Foreign Office. Its idea is to organize a defensive league that will be able to deal with Germany, or better yet, a preponderant force that will overawe Germany and so compel her to observe the treaties she has made. Not only that. The agreements signed during the post-war period, the Covenant of the League included, have not contained provisions for execution that amounted to anything. The treaty towards which France is now working would lay downright obligations upon the signatory powers, something comparable to the pledges exchanged in the old alliances.

To grasp the sequence of events we must go back to October 14, 1933, when Germany bolted the Disarmament Conference and the League of Nations. That was a grievous blow to the policy which M. Paul-Boncour had been following in the footsteps of Aristide Briand — a policy of European reconciliation. M. Paul-Boncour thought he had reached an understanding with England,

the United States and even Italy (though she had noticeably hesitated) on a program for disarmament. His plan involved grave dangers for France in that it provided for a weakening of French defenses on the assumption that the rearming of Germany could thenceforward be supervised and kept within bounds. When Germany flatly refused to negotiate on that compromise basis, England and the United States, to say nothing of Italy, withdrew their pledges and urged still further French concessions. M. Paul-Boncour went back to Paris at his wits' end.

M. Herriot was just then back from Russia, having spent the first fortnight of September 1933 in that country, and he was making a great ado about the offers of an alliance which had been pressed upon him by Kalinin, Litvinov and so on. The aged Kalinin had gone so far as to say: "France and Russia ought to get together and impose peace." Why not accept this proposal? Why go doggedly forward on the assumption that there could be no coöperation with Moscow? Why close one's eyes to the fact that Hitler's madness and the plans for the German colonization of Russia laid before the London Economic Conference in Hugenberg's famous memorandum had torn the Rapallo policy of the Germans and Russians from top to bottom? How fail to recognize the striking significance of the treaties for determining an aggressor which Russia had signed early in July with eight of her neighbors, the Little Entente included? To be sure, those agreements had not contained clauses providing for execution; but they attested the resolve of the Soviet Union to uphold the peace treaties against all the disruptive forces at work against them. Russia had gone so far in her change of front as implicitly to recognize Rumanian sovereignty in Bessarabia. It was imperative to smother all mistrust, forget prejudices, and deal with Russia aboveboard and directly. In any event, France seemed to have no other choice left, in view of the collapse at Geneva, the aloofness of the United States, and the fact that England had made up her mind in favor of keeping her freedom of action.

Such was the talk heard from M. Herriot and in his circle — not very far-sighted talk, since it accepted at face value everything that had been told him at Moscow about industrial production in Russia, the size of the Red Army, and so on.

M. Daladier was Premier at the time and in open rivalry with M. Herriot, his former teacher in the university at Lyons. He had come to feel himself quite the equal of M. Herriot, who for

his part was shocked at such insubordination and could not help thinking that rank in politics somehow ought to follow rank in university faculties. M. Daladier chaffed the "tourist" home from Russia, and called attention to the fact that early in the year M. Herriot had been preaching a Franco-American alliance in much the same extravagant language. Meantime he allowed one of his intimates to slip away to Berlin and pick up and publish statements by Adolph Hitler in favor of a direct Franco-German entente. For his own part, vacillating as ever, he was careful not to take any decisive stand.

M. Paul-Boncour, on the other hand, developing more initiative, went so far as to have a talk in December with the Russian Ambassador (he now advertises the fact in order to claim credit for the subsequent Pact of Mutual Assistance). But in reality M. Paul-Boncour also was too much at sea, too torn by conflicting impulses, to come out with any lucid or constructive suggestions. All in all, down to the month of February 1934, the French Foreign Office did not venture beyond a policy of reserved cordiality toward Russia (and a fairly imprudent policy it was from the economic standpoint), the same cordiality that had found expression in the non-aggression and friendship pact of November 1932.

But on February 7 an event of far-reaching consequence occurred: the signing of the Balkan Entente, a treaty of territorial and diplomatic guarantees supported by pledges of mutual military aid. This instrument differs from all the other non-aggression and war-renunciation pacts, and even from the Locarno agreements, in that it requires its signatories, without any possible loophole for escape, to join arms with each other against an eventual aggressor. The fact that Greece enjoys less exacting terms (her pledge is merely to defend the neutrality of the port of Saloniki, but that is the greatest service she can render to the common cause) does not alter the general nature of the treaty, which is comparable to those that bound together each of the groups of countries before 1914. The Balkan Entente derives its most practical value from the fact that it heralded Turkey's falling into line in defense of the *status quo*; and Mustapha Kemal engaged himself on that point only under direct and sustained pressure from Moscow. It frees the Little Entente from some of its most serious worries in connection with Bulgaria and even with Italy. It permits the Little Entente to devote all its attention to matters along the Danube. The diplomats responsible for foreign policy in

Prague, Belgrade and Bucharest outdid each other in proclaiming, in private conversations, that in thus forcing Turkey into line Soviet Russia had deserved well of everybody anxious to put the quietus on threats of war. The attitude of the Soviets was all the more striking in that some weeks earlier, during a trip to Rome, M. Litvinov had turned a deaf ear to the advances of Mussolini, who tried to entice Russia into a League of Nations revamped to permit the functioning of a Four-Power Pact and the revision of the treaties. It was not by chance, then, that Russia now took her place in the international scheme among the Powers supporting the established order.

M. Barthou took over the Foreign Minister's desk at the Quai d'Orsay on February 10 as a member of the National-Union cabinet of M. Gaston Doumergue. His first concern was to examine the British, English and Italian memoranda on disarmament presented in January. They were documents of a nature most disappointing to France. Hurriedly he and the Soviet Ambassador in Paris, M. Dovgalevsky, opened a series of talks which were to prove of decisive importance. We shall pass over M. Barthou's preliminary manœuvrings, designed to prevent alarm at London and Rome and among the French public. As early as April, a memorandum outlining the main ideas of a pact of mutual assistance (which has come to be called the "North-East Pact") had been drawn up at the Quai d'Orsay. During all the subsequent negotiations the French Government stuck to that document, which it communicated to Moscow, London, Berlin, Rome, Warsaw and Prague; and even now no draft of a treaty containing preamble, articles, sections and so on has been put into writing. The French Government so far has not gone out of the domain of general principles.

The April memorandum states that a non-aggression treaty should be concluded among the following countries: Soviet Russia, Poland, Germany, the Baltic States and Czechoslovakia. That is the first stone in the edifice. Why were other states like Yugoslavia, Rumania and Turkey left out? The answer is, as we have suggested, that the French Government was afraid of frightening Mussolini. But the distinctive and significant feature of the proposed pact is that the signers will exchange pledges of mutual support, and though France has not signed the pact itself she will participate in the pledges. What obligations are involved?

To this the French Foreign Office gave prayerful thought. It had made a point of not assuming burdensome responsibilities which might worry French opinion, and of not promising anything that might seem inconsistent with Article 2 of the Locarno Pact about the Rhine. That was why the long-cherished idea of working out an Eastern Locarno was abandoned; the duties devolving upon the guarantor states would have been too heavy. Instead, it was provided merely: first, that the obligation of mutual aid should apply only as between states which were direct geographical neighbors; second, that Russia would endorse the Locarno Pact, that is, would guarantee the Franco-German frontier of 1919, and would do so absolutely, involving automatic action without any such qualifications (appeal to the League of Nations, for instance) as those which weaken the endorsements given by Great Britain and Italy in October 1925; third, that in exchange for that Soviet promise France would guarantee the functioning of the proposed North-East Pact in connection with the maintenance of Russia's western frontier (her Asiatic frontiers are not included). Evidently, the French guarantee does not extend to the Baltic States, and on this point those countries are very indignant. As regards Germany, Poland and Czechoslovakia, France holds to her earlier undertakings as covered by the Locarno Pact, the Franco-Polish Treaty of 1921, and the Franco-Polish and Franco-Czechoslovak declarations of October 16, 1925, which were supplementary to the Locarno treaties, and which under cloak of the phrases current at Geneva are tantamount to alliances.

One point should not be overlooked. French jurists arrived at the conclusion that in accordance with Article E of the Locarno Pact (specifying the conditions under which France can legally make war on Germany without calling into play the Anglo-Italian guarantee), France could not enter into any compact for mutual assistance with a third government unless that government belonged to the League of Nations. In fact, such cases of legal war arise from the application of Articles 15 and 16 of the Covenant. Russia therefore would have to be admitted to the League of Nations in order to enable France to strike a bargain with her without arousing protests from the English and Italian guarantors of Locarno. The question now arose as to the order in which affairs were to develop. Should the North-East Pact of Mutual Assistance be negotiated before Russia's entry at Geneva, or afterwards?

M. Barthou chose the latter course. In a note dispatched to London on April 17 he definitely abandoned the English and Italian views on disarmament, rejecting as illusory the "graduated guarantees of execution" which had been offered him and recognizing but one effective recourse against an eventual violation of any treaty of disarmament which might be negotiated between London, Rome and Berlin — an Anglo-French alliance. And this he did not consider it opportune to ask for in so many words. The disarmament conference thus was in danger of imminent collapse. That would force a debate before the Council of the League as to Germany's violations of the military clauses of the Treaty of Versailles. M. Barthou considered it the wiser part to have Russia on his side in such a ticklish discussion. On the other hand, though resolved to support France in everything touching disarmament, M. Litvinov thought that the Pact of Mutual Assistance should be concluded first, though it would not become valid until after Russia had taken her place on the Council and in the Assembly at Geneva. That difference of opinion was not to be settled (in favor of the French view) until July.

Thus already by the end of April, or early in May, the mutual-assistance project had taken shape, though (we again repeat) very roughly, since no actual articles had been drawn up. There was some difficulty in bringing the governments which received copies of the memorandum to understand just what was to be gained by it. Sir George Clarke, British Ambassador in Paris, paid two calls at the Quai d'Orsay to obtain additional explanations, and Mr. Campbell, British chargé d'affaires, was also drawn into the discussion. At last everybody seems to have mastered the ins and outs of the project. After that all that remained was to obtain favorable replies.

At Downing Street, on July 9 and 10, M. Barthou had a long conference with Mr. Baldwin, then British Premier *ad interim*, and with Sir John Simon. Before that time, Sir John and Mr. Anthony Eden, Lord Privy Seal, had been much wrought up by the French move. In May, at a meeting of the general council on disarmament, Mr. Eden had said to M. Barthou: "Are we to conclude that from now on you are not going to be as eager for an understanding with us as you have been in the past?" M. Barthou earnestly reiterated his devotion to the Anglo-French entente; but the unpleasant memories of October 1933 still needed some little time to fade away. In spite of everything, M.

Barthou was well received in London, though he could not consider himself *persona grata* after the sharp interchanges which had taken place at Geneva. Mr. Baldwin found it quite understandable that in the face of the impending danger France should be inclined to gather as many friends as possible about her, and from him M. Barthou had every assistance. In literal strictness, England might have used the Locarno Pact as the basis of an objection to the mutual-assistance compact. Downing Street would then have put France in the dilemma of choosing between Locarno and the new pact. In truth the projected pact does risk involving the guarantors of the Rhine frontier in more complicated relations on the Continent. The English called attention to that aspect of the problem, but without pressing it — at the bottom of their hearts they realize that the cause of France is bound to be the cause of England. They stopped with making sure that the project was based on principles of absolute mutuality and that Germany would be given every guarantee enjoyed by Russia. On these points they received full assurance.

The English press stated that M. Barthou had been brought around to some concessions, and that assertion was allowed to pass without correction. As a matter of fact, the original French version was in every detail the version which was made public after the London conversations. Capitalizing the satisfaction he liked to think he had obtained, Sir John Simon set in motion the British Ambassadors in Berlin, Rome and Warsaw. Assuming the demeanor of a "benevolent neutral," he none the less urged the adoption of the French proposal. Italy consented at once. The Italian press had for weeks been assailing the French policy. The cannonade fell silent as if by magic, and was followed by the expression of a more or less favorable opinion. Naturally the project was given interpretations which Paris would have deemed unsound. It was viewed, for instance, as a bid for the resumption of Anglo-Italian ideas on disarmament (to which Germany had given her approval on April 16), and a hint that sooner or later France would withdraw her note of April 17. M. Barthou took occasion to discount any such interpretation. Rome also was inclined to think that a refusal on the part of Germany would ruin the whole project for France; but M. Barthou had given London to understand that if as a result of German opposition the scheme could not be carried out on a mutuality basis, he would go ahead with it just the same, even if it had to be limited to

some sort of pact for coöperation between France and Russia; and he explicitly reserved freedom of action for the French Government against such a contingency.

The German reply arrived in July. It was as hostile as anyone could have feared. There is no need to go in detail into the arguments of the Wilhelmstrasse. They were pretexts. At bottom, Germany will have nothing to do with a system that aims to consolidate the territorial and diplomatic structure set up in 1919.

The Polish answer was slowly and painfully extracted in the course of a long series of private conversations in Warsaw, Paris and Geneva. M. Barthou watched with eagle eye for any hint as to Poland's actual policy; for it was of capital importance to determine whether the Polish-German declaration of January 27, 1934, took, or did not take, precedence over the Franco-Polish alliance of 1921 — whether Poland had merely obtained a respite from Germany, or had definitely allied herself with Berlin against Russia and the Little Entente in the hope that her territorial domain would be respected in exchange for her support of Pan-German enterprises in Eastern Europe.

Colonel Beck luffed and tacked elusively under the pressure of the very pertinent questions that were formulated in Paris. In the first stage he insisted that Rumania and Turkey should have a specified place in the North-East Pact. That move had no design except to mix everyone up and create difficulties. Ankara was working in close touch with Moscow and declined at once. M. Titulescu hesitated. Not that he was in the least inclined to support Polish policy, which had never lost an opportunity to pester him through the fascist Iron Guards; but he did want to have some Franco-Russian guarantee of Rumania's frontiers. However, he made haste to let Paris know that he would not push his desire to the point of compromising the French idea. At that juncture, to clear the air of the embarrassments caused by the Polish suggestion, the French negotiators brought up the matter of a Mediterranean Pact corresponding in the south to the new pact in view for north-east Europe — a hazy conception, with no solid foundations, soon to be forgotten. The only acute Mediterranean problem arises between Italy and Jugoslavia, and is an altogether separate matter between Rome, Belgrade and Paris. At that moment also a project for a Polish-Russian-Rumanian pact of mutual assistance flitted across the stage and vanished into the wings.

In a second action, under constant pestering from M. Barthou, Warsaw finally became resigned to pronouncing on the basic issue. On September 27 the French Foreign Minister, still at Geneva, received a "Statement of views of the Polish Government as to the proposal for an assistance-pact in the North-East, as outlined in conversations with the representatives of France," notably in the conversations on September 7, the date of a fairly illuminating conversation between MM. Beck and Barthou. Poland qualified her acceptance by three reservations:

1. She could participate in the agreement only if Germany also consented to come in, and then only if the German-Polish declaration of January were to be inserted in the treaty with a special clause providing for its unconditional observance. All of which meant that the Pact of Mutual Assistance would have to be secondary to the German-Polish declaration.

2. She refused to assume any undertakings whatever as regards a government (Lithuania) with which her relations were not normal.

3. She could not forget her "traditional friendships" along the Danube. In her opinion, no arbitrary choice should be made of the Powers that would be called upon to sign the Pact. This meant that Poland would refuse to guarantee the frontiers of Czechoslovakia, so long at least as Hungary should not be included in the system.

The matter now was clear enough. The Polish document betrayed in full amplitude Poland's intimacy with Germany and her intimacy with Hungary. Poland, like Germany, is uninterested in any league for the preservation of peace. Her active hostility had made itself manifest as early as July in efforts designed to alienate the Baltic States from France and Russia.

That was the state of the negotiations at the close of the Assembly at Geneva, after Russia's admittance to the League of Nations (not an easy matter to arrange, since the "neutral" countries were afraid of displeasing Germany). Was M. Barthou to conclude that further talk with Berlin and Warsaw would be a waste of breath? Was he to decide that the best policy would be to discard the whole scheme of mutuality (which would be more or less orthodox from the Geneva standpoint, as following out the recommendations of the "Committee on Security" made in 1928), and stop at a specification of the various modes of coöperation between France, Russia and the Little Entente? M.

Barthou was struck down at Marseilles before he had made up his mind.

His successor, M. Pierre Laval has decided, after some days of reflection, that it is better to make a new move to win Poland, for in the end it would prove very prejudicial to the system if she should remain outside. Every effort will be made to satisfy her demands. Czechoslovakia will agree to do without the Polish guarantee. Lithuania will try to settle the Vilna question. Paris itself will renew pressure in Berlin to override Germany's refusal to discuss the issue which was raised by implication by German diplomacy in July. This will use up a lot of time. But the good faith of Germany and Poland will be put to a decisive test.

In any event, the French Government will not abandon the goal toward which it has been working, namely, to obtain formal promises from everybody interested in preserving peace — Soviet Russia, the Little Entente, Turkey and even, if possible, Poland. To drop the negotiations that have been begun with Moscow would be to throw Soviet Russia inevitably into the arms of Germany and restore to the Treaty of Rapallo and the Russo-German agreement of April 1926 all the vigor that Hitler's madness had stripped them of. It should not be thought that the French Government is harboring fantastic illusions about its entente with Russia. It does not believe, as does M. Herriot, that the old Franco-Russian alliance can be resuscitated in all respects. What it is looking for is the possibility of coöperation within prudently circumscribed bounds. Before the General Committee on Disarmament at Geneva, toward the end of May, M. Litvinov gave evidence of the help he might contribute to the French cause. In the same way, the stand which he took against treaty revision when he assumed his seat in the Assembly was greatly appreciated by the Little Entente. Aviation and economic accords are in the offing. But what must hold first place in any appraisal of the negotiation is the overtowering negative result that has been achieved: the Reichswehr has been definitely cut off from Russia's formidable reservoir of raw materials and man-power.

APRISMO

THE RISE OF HAYA DE LA TORRE

By Carleton Beals

THE most striking, picturesque and exuberant personality in all Latin America is Victor Raul Haya de la Torre, of Peru, leader of the American Popular Revolutionary Alliance, commonly known as APRA. It is an international movement, with branches in most Latin American countries, but its principal stronghold is Peru. There, after the overthrow of the dictator Augusto Leguía in August 1930, *Aprismo* just missed being swept into power. It is undoubtedly the strongest popular force in that country today. Haya de la Torre has fired the imagination not only of his own people but of an entire continent and a half. He represents a political tendency which under one name or another is gathering headway in all the southern countries, which has found considerable expression in Mexico, and which is represented to some extent by the A.B.C. secret organization in Cuba, a group under the leadership of Martínez Saenz that effectively participated in the overthrow of Machado. To understand the Apra movement and its leadership is to understand the probable evolution of Latin America in the years ahead. The impending political crises there will profoundly affect our own political and economic relations, our five billion dollars of investments, our trade, and our security in case of a new world war.

Haya de la Torre stands out as a brilliant leader with the knack of appealing to large masses of men. He has swayed thought nearly everywhere in the New World by his copious writings. He has won a picturesque halo of martyrdom because of long exile and imprisonment, and he has built up a powerful well-knit organization with an eclectic program of broad social significance, of great political opportunism and with international implications. It is a unique movement, though it has been labelled variously as communistic, socialistic, liberal, petty bourgeois, fascist — Latin Americans are not devoid of the average man's habit in other countries of judging political events by emotions and prejudices, by conventional tags, rather than by clear concepts. None of our familiar clichés by which we attempt to pigeon-hole contemporary tendencies in Western Europe are en-

tirely satisfactory for semi-colonial Latin America; economic and political facts there, the course of recent developments, the new movements that have developed, the type of national planning in vogue, require a fresh terminology. For a long time I have been puzzled to find some adequate designation which would roughly characterize a continental tendency miraculously compounded of Wilsonian democracy, Marxian communism and Fascism. Perhaps the term *Aprismo* is itself sufficient. Haya de la Torre is the outstanding exponent of the new doctrines.

II

I knew Haya de la Torre intimately during his exile in Mexico in 1923-4; I dealt with him again there three or four years later; and on various occasions during my recent visit to Peru, I visited with him in Lima. He is at present about forty years of age, in the full flush of his intellectual development, energy and enthusiasm. As the head of the first truly popular movement in Peru's entire history, he is now the *bête noire* of old-style politicians, the militarists and the feudal elements. His earlier period in Mexico was formative; he was then forging the ideas, the plans of political organization, and the contacts which have since made him a continental figure.

Those years of 1923-4 were a dramatic time in Mexican and world affairs. The Mexican revolution, antedating that of Russia, had stumbled through civil war into a hit-or-miss program of land-distribution, anti-clericalism, bitter opposition to oil imperialism, and was actively promoting popular education and labor reforms. The World War had demonstrated the economic and moral bankruptcy of Western Europe and the instability of the Versailles peace. Mussolini had seized power in Italy; Primo de Rivera had provided an opera bouffe imitation in Spain; Horthy had taken charge of Hungary; the Social Democrats in Germany were battling with the Communists. The Russian revolution was wavering between Lenin's NEP policy and Trotsky's formula of world revolution. China was in an uproar. Gandhi was getting gaunter and more menacing in India. Morocco was still in revolt.

In Mexico in 1923-4 was another notable leader, the exiled Cuban student Julio Antonio Mella, whom I knew well and later saw die in the Red Cross emergency hospital, after being shot in the back by the minions of Machado. Both Mella and Haya were

striking personalities, both remarkable orators, both keen minds, both already outstanding figures in Latin America. Soon they came into sharp conflict. Mella threw in his lot with the Communist Party. Haya was seeking a formula for more realistic immediate political action. The result was the founding of the Apra movement, which brought down on Haya's head the undying enmity of the Third International and a furibund attack from Mella (he circulated a vitriolic pamphlet against the Peruvian).

After studying at Oxford, observing at Geneva, and traveling through Germany, the Soviet Union and other parts of Europe, Haya toured Mexico and Central America, lecturing and everywhere organizing Apra cells. Despite frequent persecutions, exilings, and financial difficulties, he was rapidly building up an international following. One could scarcely pick up a newspaper or magazine in any country in South America without finding his keen comments on world affairs.

When in August 1930 the little sergeant of Arequipa, Sánchez Cerro, overthrew the eleven year dictatorship of Leguía, Haya hurried back to Peru. He was greeted by a monster paid-admission mass-meeting in the Lima Hippodrome — a total, including those swarming around the gates, of at least twenty thousand people. The Apra movement swept over the country like a tidal wave. Sánchez Cerro temporarily deposited power in a Commission of Notables, headed by a Catholic dignitary, Monseñor Holguín, and Haya became the opposition presidential candidate. He toured the country kindling enthusiasm everywhere. Numerous followers did likewise. The message of Apra was carried from Lima and the coast into the highest corners of the Andes, to Cajamarca, where centuries ago Conquistador Pizarro captured Inca Emperor Atahualpa, to historic Cuzco, seat of one of the largest empires in history, to the far jungles of Madre de Diós and the Amazon region of Iquitos and Loreto. The word "APRA" was daubed on walls everywhere; it was carved in stone on the high cliffs of the Andes, it was spelled out in sand plants along the desert roads. On Argentine Beach I saw a lean dog branded with the letters — propaganda enthusiasm can go no further.

Special appeals were then made, and are still, to the indigenous population. The Indian elements, numerically the largest in Peru, had been political non-participants for over four centuries. The Apra made Indian liberation part of its cause. Apra cells were named after Inca emperors. Quechua battle-cries were included in

Apra songs and cheers. "Indian regeneration and freedom are synonymous with Aprismo" is one of the stock phrases.

Even before he had left Peru eight years previously, Haya had come into the limelight as one of the courageous leaders in the student movement of the University of Trujillo, his birthplace. Official wrath had fallen on his head, during the rule of the much-hated Leguía, when in May 1923 he led an enormous student-labor demonstration against the President's attempt to dedicate the country officially to the Sacred Heart of Jesus. The University of San Marcos was temporarily converted into a revolutionary barricade. Street-fighting resulted in several deaths, the wounding of many more, wholesale arrests and the driving of Haya and other leaders into exile. Many students, after a prolonged hunger strike, were shipped off to hard toil in the jungles where many perished. Since then, Haya's propaganda, in a hundred different ways, had been filtering steadily into Peru.

As a result of the seeds sown during those years, Apra merely needed the opportunity to become a strong organized movement. It captured the entire countryside. Undoubtedly Haya was elected president, for despite official harassment and the wholesale robbing of votes, he polled even in the official count almost as many as Sánchez Cerro.

Sánchez Cerro was thoroughly frightened. Official persecutions of Apra came fast and furious. Twenty some Apra deputies were thrown out of the national congress and have never been reinstated. Apristas were jailed, exiled, assassinated. Shortly, Haya himself was thrown into prison and was held for nearly a year and a half, mostly incommunicado. At various times he was reported to have been murdered in his cell, and probably would have been had it not been for protests from prominent scholars and public figures all over the world.

While he was in prison, these persecutions produced the spontaneous Trujillo revolt. The Apristas stormed into desperate action, and the flame spread to the serfs of the adjacent sugar estates and to the Indians of lofty Cajamarca and Ancash. But the pivot of resistance was Trujillo. For three days the bloody conflict raged, and was put down only after the mobilization of Peru's entire army, navy and aerial forces. It was followed by the cold-blooded massacre of several thousand Apristas, a slaughter comparable to that perpetrated some time later by bloody President Martínez in Salvador.

Sánchez Cerro, to overcome his great personal unpopularity and strengthen his tottering position, precipitated the Leticia controversy with Colombia. It distracted public attention from domestic difficulties, but the manœuvre proved dangerous. In preparing for war, Sánchez Cerro soon discovered the danger of arming volunteers and conscripts. Practically all were Apristas. A dilemma. The new recruits were drilled without guns. So great was the government's fears, that even at the front the guns of new soldiers were taken away from them at night. One encampment was slaughtered by the Colombians and a victory won because the Peruvians had no arms with which to defend themselves. A recruiting officer in Lima addressed a new regiment of volunteers on the evils of Aprismo. The government, he stated, preferred to discharge any members of that party rather than have the forces contaminated. He called on all Apristas to step forward. The whole regiment moved forward as one man. The official in question suddenly decided that *Aprismo* was not such a bad thing after all.

Following Sánchez Cerro's assassination in April 1933 by a fanatical student, Haya de la Torre — released through an amnesty granted by the new provisional president, General Oscar Benavides — at once dedicated himself to the active reorganization of the party. The whole country breathed a deep sigh of relief when the erratic and sanguinary Sánchez Cerro had been laid to rest. The immediate reaction to his fantastic follies was an enthusiastic reassertion of Apra strength.

Ere long the Benavides government and all old-line political elements became seriously alarmed. Repressive anti-Apra tactics were resumed. The old Leticia trouble was revived and a patriotic drive started to make Apra propaganda savor of treason. Last April the Apra papers in Lima were suppressed, the police smashed up Apra headquarters, schools, restaurants, and jailed whomever they could lay their hands on. Manuel Seone, one of the outstanding leaders, when cornered by forty secret police, fought his way out pistol in hand from the national stadium, leaving two dead behind him. Haya went into hiding. The Apra movement again entered a definite period of official persecution. The government censors even forbid the mention of Haya de la Torre's name in foreign dispatches. All pretense of constitutionality has been thrown aside. Congressional elections were postponed until September because of the Leticia trouble. As a result

of a bloody general strike in that month in Trujillo and on the big foreign-owned estates, the idea of holding elections has been abandoned entirely. The Apristas now believe that their only recourse is to prepare for armed revolution.

III

Chan Chan, near Trujillo, is a vast conglomeration of crumbling adobe walls, which in its heyday, perhaps 1200 A.D., probably harbored several hundred thousand people. It and Pachacamac, near modern Lima, were the two great pre-Inca coast metropolises of the Chimú civilization. Chan Chan ruled supreme until — a few centuries before the coming of the Spaniards — Inca Yupanqui's 50,000 warriors subjugated the coast and the bulk of the city's unappeasable inhabitants were sent as colonists to other parts of the empire. The Spaniards found the place nearly abandoned. I made two trips to Chan Chan, one to learn about its ancient splendors; the other, with Apra revolutionists, to learn about its modern tragedy.

The Apristas showed me numerous crosses over dozens of crumbling buildings. These crosses are white with buzzard droppings — for under them lie the half buried bodies of over a thousand people lined up and shot after the failure of the 1932 revolt which shook this whole region from Trujillo clear up into the Cajamarca Sierra. Beyond the stadium — “APRA” painted in big letters on its roof — was another trench with many crosses. “At least thirty are buried here!” We penetrated on into the tangle of Chan Chan. There people, taken out in trucks, had been lined up alongside of ancient ditches and reservoirs, and shot into their graves. For months Chan Chan was a carnal house. Its pestiferous stench rose to high heaven for miles about, even to Trujillo.

Trujillo still remains ardently Aprista. Frequent pilgrimages are made to martyr graves. The Apristas control one of the leading dailies, *El Norte*, edited by Haya de la Torre's brother and by Antenor Orrego, for some strange reason not suppressed along with almost all other Apra periodicals. Pérez Treviño edits a weekly magazine. Propaganda is active. The recent bitter strike reveals that despite dreadful massacre the same feeling prevails among the people. The Apra movement's bath of blood, its roll of martyrs, its traditions of struggle, have closed up the files of the party in iron-clad discipline.

IV

The Apristas lose no opportunity to state their case, both at home and abroad. Though my visit to Peru was unannounced, Carlos Manuel Cox, one of the principal leaders, greeted me on board the *Santa Clara* as soon as we reached Callao. The following day, Haya de la Torre and his secretary called on me at my hotel, and the following evening I had supper with him and three other Apristas in a little German pension facing the sea in La Punta. The reunion was semi-secret, for although at that time theoretically the party was not suffering persecutions, several attempts had been made to assassinate Haya. He went well-armed and never slept twice in the same place.

He has lost none of the enthusiasms that characterized him ten years previously. He still retains his remarkable powers of expression. Though now the key man in Peruvian politics and Latin America's most prominent figure, he is still as informal and jovial as ever. Of medium height, stocky build, and massive features, his face is constantly illuminated by a vivacious smile, and his persuasiveness and amenity coupled with his remarkable insight into the character and motives of others invariably captivate everyone with whom he comes in personal contact.

What is the Apra program? I have before me two score books and pamphlets detailing its struggles and program, including the vivid verbatim account of Haya de la Torre's preliminary hearings during his imprisonment under Sánchez Cerro, an account which reads like a seminar in political economy rather than a police or court record, and which places Haya de la Torre at an astronomical distance, intellectually and morally, above his interlocutors and persecutors.

Haya was seeking an adequate political formula for Latin America. He had studied, through their literature, and at first hand, the revolutionary movements of Mexico, Russia and Italy. He was well versed in the bases of American and English democracy. Above all he had studied political tactic and organization. He came to the conclusion that neither the communist nor fascist movements offered a way out for the Latin countries, for both were phenomena of industrial or semi-industrial nations, whereas most of Latin America, and certainly Peru, had only the beginnings of a proletariat. The pivot of any social

regeneration for him was the fight against foreign capitalism — imperialism. This had become the most powerful factor in maintaining backward feudal and military dictatorships and preventing popular education, economic freedom, and national independence. Leguía had been maintained in power by American loans, corruptly contracted and corruptly expended.

Haya realized that successful resistance could be waged not by the handful of proletariat, but by a concurrent appeal to intellectuals, to the indigenous peasant masses and the new but ambitious middle-class. Even new native capitalist elements would be drawn into such a movement. Not all amicable bed fellows, but all useful. The general thesis was anti-imperialism; war upon all feudalism, therefore upon landholders, the Church and militarism; the simultaneous building up of native private and state capitalism, with bonafide collectivism whenever and wherever possible; rapid education to provide a true national basis for political stability; the freeing of the Indians from pseudo-serfdom; the enforcement of an enlightened labor code. The ultimate goal was to be democratic collectivism.

For the communists this is obviously a new brand of fascism; for the feudal elements it is obviously little removed from outright communism. The tags do not fit. The economic and political facts of Peru and neighbor countries are unique.

Italian Fascism and the Nationalist Blue Shirt allies utilized radical phraseology. Italy, according to Corridini, was a “proletariat nation that must fight the capitalist nations.” Hitler has made alleged socialism a cloak for nationalistic pretensions. Something of this undoubtedly lurks in the Aprista attitude, but it is only part of the picture.

Carl Dreher in a recent illuminating article¹ defines Fascism as “a fraudulent simulation of collectivism applied to the minds and bodies of men, exempting only the large property owners from its tyranny.” It is an attempt through severe governmental regulation to save part of the capitalist mechanism and its benefits for the middle class by eliminating its chaotic and unworkable features. In Latin America capitalism cannot be saved because it has never existed. Democracy and certain liberties which are inimical to a tottering capitalism cannot be destroyed in Latin America because they have never existed. The middle class cannot be saved from being crushed in the war between

¹ *Harper's Magazine*, September 1934, p. 484.

capital and labor because the Latin American middle class is only beginning to emerge.

Similar observations occur regarding communist tendencies. To postulate a capital-labor class struggle is to postulate, to a certain extent, a Pyrrhic battle — the protagonists still have to be breathed into life. Collectivism must be created not by collectivizing industry but by creating an industry along collective lines; the agrarian masses do not have to be collectivized because great sections of them have never abandoned a collective system. Only the great estates can be directly collectivized and the peons freed.

Latin America has always had dictatorships, but these have never been — despite the bandying of verbiage — either collective or fascist. Their basis has nearly always been feudal, sometimes in alliance with the growing middle class, more recently, thanks to bankers' loans, in alliance with foreign capital.

The nearest approach to Fascism in the New World has been made in Mexico, ruled by the "full-car" National Revolutionary Party, which runs a government closely approximating the Dreher definition of a fraudulent simulation of collectivism exempting the large property owners from its tyranny. But even in Mexico it has original characteristics: the Mexican revolution, to fight imperialism, had to arm the workers and peasants, but its directing force was the new middle class of *mestizos*, who have used the state to become industrialists. If previous patterns had been followed the successful revolutionists would have sunk blissfully back into the arms of feudalism, but the penetration of foreign capital is rapidly making that impossible. Success has channeled the movement increasingly into a fascist tendency, save that hitherto non-existent democracy is given at least lip-service, and collectivism, especially in connection with agriculture, is stressed because this hinders the invasion of foreign capital and aids the rise of a native bourgeoisie. A well-controlled labor and peasant movement further blocks foreign competition, but being officially wielded permits native interests to expand their industrial enterprises, banks, tropical estates. This explains the queer Mexican phenomenon of revolutionary leaders become fabulously wealthy but still ardently supporting a socialist program.

The same ideology and possibilities are latent in the Cuban A.B.C. movement; they are also latent in the Apra movement. Whether the latter when it gains power will become increasingly fascist as in Mexico, or whether collectivism will tip the balance

more strongly, will depend upon various factors, among them the general current in the world at large.

Thus into the Apra movement, much as in Mexico, is projected the age-old Indian agrarian collectivism, the aspirations of the new proletariat, the aspirations of the new middle class, and certain of the aspirations of the new native bourgeoisie. The battle, in short, is against the Spanish-created feudalism and foreign capitalism; and Haya de la Torre has been shrewd enough to disdain no weapons — collective, proletarian, middle-class or bourgeois. This merely implies confusionism to a communist. Undoubtedly it is the prelude to subsequent struggles. But though it does not permit the immediate injection of a Marxian class-struggle between classes that only exist in embryo, it is clear enough in its outlines, its ideology, and its purposes.

To label the movement as either fascist or communist, whatever it may soon tend to become, is to deny its facts and purposes. Rather is *Aprismo* a movement moulded to immediate needs which achieves a synthesis of the doctrines and tactic of democracy, Marxian communism and fascism. This, in fact, is the only type of movement that meets the actual issues and is likely to succeed. To combat militarism, the Church, feudalism, it advocates democracy for the masses which have never known democracy; as an anti-imperialist and anti-landlord movement it proposes collectivism to the extent possible; it is fascist in that it is nationalistic, does not disdain force, and does not demand complete abolition of private property.

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Aprismo is bigger than its immediate demands. It represents a mass movement of great potentiality. Its members are imbued with almost mystic fervor; they are the stuff of which martyrs are made. They have been exiled, have gone to jail, have been wounded in battle. They are fighting for what to them is a sacred cause. It is a singing movement; they have hundreds of songs which are chanted at all gatherings throughout the country. They have a fervent faith in their leadership. Haya is perhaps too much of a god to them. Apra headquarters are plastered with pictures of Haya in entirely too-Mussolini-esque poses. Their discipline is almost puritanical. They war upon the vices and promote Aprista sports. Haya's own brother was expelled from the party for refusing to obey superior orders.

It is necessary to recall that Peru has never had a party based upon principles. Previously it has merely had ambitious political and military cliques, greedy for power and privilege. Thus in 1904 Prada declared that the Peruvian's electoral choice between the *Civilistas* and the Democrats consisted in walking through a narrow alley, both walls smeared with mud and blood so that one was soiled whichever side was touched. Apra is the first party in Peru's entire history with a concerted body of principles other than that of sustaining a small clique in power.

Peruvian governments have never been rooted in economic facts. There has been no census since 1876, if we except an estimate made in 1896 and an even more superficial estimate in 1923; hence no Peruvian government has ever known (except in 1876) how many Peruvians there are, how much Peru produces, or what Peru and its people need. Hence no government has ever attempted to root itself in the entire Peruvian nationality. Hence the ignorant feudal governments of Peru have always been unstable. Politics have shuttled between anarchy and tyranny, tyranny being but one facet of anarchy. Apra seeks a broad national mass basis, a democratic functioning, and increased economic justice. Apra principles are not empirical. They have evolved through the trial and error method — an ideology gradually crystallizing out of prior student and labor struggles. Though influenced by world trends, it is basically related to Peruvian conditions and needs, and to general Latin American needs.

An Aprista victory will immediately precipitate new problems. The leaders will be obliged either to make a compromise peace with the feudal *Civilistas*, or they will have to deepen their economic program and create a stronger alliance with peasant and Indian forces. Whatever its defects, however uncertain its future program, *Aprismo* is a great popular movement with remarkable discipline and remarkable leadership. It is the first stirring of a long oppressed people. It is the beginning of a new Peru. It is a movement which, in one guise or another, is rapidly reshaping the destinies of all Latin America. Haya de la Torre is a figure who provides the key to Latin American developments for the next few decades.

THE OCTOBER REVOLUTION IN SPAIN

By Luis Araquistáin

I. ITS IMMEDIATE ANTECEDENTS

ON October 4 a new Lerroux government was formed in Spain, containing three ministers who were members of *Acción Popular*, the Catholic-agrarian party captained by Gil Robles. The next day, a country-wide general strike was declared. On October 6 the autonomous government of Catalonia proclaimed the Catalan State within a Federal Spanish Republic — that is to say, in a new form of Spanish republican government. On the morning of October 7 the Catalan State surrendered; the autonomous government capitulated to the forces of Madrid.

The general strike lasted another week in almost every part of the country. In Asturias the armed struggle between the revolutionary forces and those of the government lasted for two weeks, ending finally in a pact between General López Ochoa, commanding the government troops, and Belarmino Tomás, representing the workers. But as these lines are written guerilla warfare continues in isolated spots in the Asturian mountains.

The number of dead cannot yet be ascertained, except in Oviedo, the capital of Asturias, where it is calculated that a thousand people have been buried or burned. In the whole of Asturias the dead, including revolutionaries, government troops, and civilians, are estimated at from two to three thousand. In the rest of the country the loss of life has been much less, but must amount to some hundreds. The material losses have been enormous. In Asturias alone, through fire and bombardment, they are estimated at more than one hundred and fifty million pesetas. Oviedo is literally a city in ruins, reminding one of certain Belgian and French villages destroyed by artillery in the World War.

Such, in brief, are the external facts of the October revolution in Spain. Let us now go below the surface, analyze its genesis and characteristics, and estimate as objectively as possible its social and political significance.

What first surprises those unfamiliar with the hidden factors in these events is the disproportion between so apparently minor

a fact — the participation of three members of *Acción Popular* in the Lerroux government — and a revolutionary general strike in which the entire Spanish proletariat protested against that fact, paralyzing the whole economic life of the country and creating a state of civil war in many towns and provinces. The nomination of these three ministers was to all appearances perfectly constitutional. In less than a year three minority governments had been tried, under the leadership of three members of the Radical Party: Martínez Barrio — under whom was held the corrupt general election of November 1933; Lerroux, who resigned on April 25; and Samper, who resigned on October 1.

The parties forming these three successive governments did not have a parliamentary majority. In order to remain in power they needed the votes of *Acción Popular*, which was not represented in the government. Why was it not? Because, up to October, neither the President of the Republic nor *Acción Popular* itself considered it prudent for this party to come into power. The reason was obvious. In the Constituent Assembly this party, which then had a different name, had shown itself to be frankly anti-republican, hostile to every article in the Constitution and to all its complementary laws. It had not voted for the Constitution when the latter came up for final approval. From the very beginning it was revisionist, not just in so far as this or that particular law was concerned, but in regard to the republican Constitution as a whole. Fundamentally it aspired, by means of revision, to restore the monarchy.

In the November elections it was allied with the monarchist parties and supported by monarchist money. Its program did not differ essentially from that of the groups which were openly fighting for the restoration of monarchist institutions and oligarchies. The vast majority of its voters, if not all, were monarchists. Later on, in order to gain access to office, it made ambiguous statements of acceptance of the republican régime, but this was merely to falsify the mandate which it had received from the electorate. If it wished to govern as a republican party, it would have had to wait until the next election and then present itself unequivocally under a republican flag. This was the argument of the Socialist Party and other frankly republican parties. Only one of these, the Radical Party of Lerroux, showed a disposition to accept members of *Acción Popular*; and that tendency caused the withdrawal of some twenty deputies, who formed an inde-

pendent party under the leadership of Martínez Barrio. But to Lerroux, dominated by senile vanity and ambition, it was all the same whether it was a republic or a more or less disguised monarchy, provided only he were in power.

As for the President of the Republic, at the opening of the new Cortes he was disinclined to admit members of *Acción Popular* to the government, as he did not regard them as republicans; at least so the republicans of his entourage were told. But gradually two motives induced him to change his attitude. One was the cautious statement of republicanism which Gil Robles was compelled to make as a condition of joining the government. Probably it was the President himself who chiefly persuaded him to do so. Thus appearances were preserved.

Señor Alcalá Zamora, on whom is stamped deeply the characteristics of the professional jurist who puts the letter above the spirit of the law, is a man of profoundly conservative mentality. His republicanism is a mere matter of form. He wanted the basis of the republic to be so widened as to be acceptable, even if only nominally, to all Spaniards. The content of the republic — the economic, social, and political relationship between the classes — is of quite secondary interest to him. A sincere Catholic, his conception of society, based on the charity of those who have and the resignation of those who have not, does not differ in essentials from the political program of *Acción Popular*, or of any other Catholic party in the world. His ideal would be a Christian republic, full of pity for the poor. It is obvious that the purely external and surface republicanism of Gil Robles should fill him with satisfaction: it would widen the basis of the republic.

The second motive, on the other hand, was that Gil Robles was refusing to give further support to minority governments. He wanted to have a direct share in the government. He had to destroy with his own not too tender hand the work of reform which the three previous governments had performed in two years of republican-socialism. It was not expedient to wait, as he had once waited, until the next elections gave him an absolute majority. On the contrary, the result of another appeal to the electorate might be disastrous. His allies the monarchists were highly dissatisfied with his republican professions and his parliamentary concessions; and if, as was probable, they did not give him money for another election, the existence of his party would be in grave danger. Furthermore, the voters, noting his repub-

lican disguise, might turn against him, accusing him of treason.

At the same time Gil Robles believed that the republican Left, particularly the Socialists, would abandon their attitude of implacable hostility. He began to convince himself that the threats uttered in Parliament by the Socialists, that they would let loose a revolution if *Acción Popular* formed part of the government, would never be realized. Everyone would submit to the inevitable, the accomplished fact. At most there would be a twenty-four hour general strike of protest. This was stated in an editorial in *El Debate*, the organ of Gil Robles (who was perhaps the writer of the article), in its issue of October 3. There would be no revolution; nothing would happen. The President was also convinced of this. Two days before the Lerroux government was formed, a Madrid banker went to inform him that it was certain that the participation of *Acción Popular* in the government would be the signal for a revolution. "Who will call it?" the President asked with a smile. "The Socialists? They never make revolutions."

Then came the question, who was to govern? Either *Acción Popular* would, or the Cortes would be dissolved; no more minority governments. The President wanted to prolong the present Cortes as long as possible. The Constitution did not authorize him to dissolve Parliament more than twice during his term of office. This term is for six years, and there are still three to go. He had already dissolved one Cortes, the Constituent Assembly. The next or third Cortes of the republic could not be dissolved by him. It is understandable that he should wish to preserve his last prerogative of dissolution by prolonging the life of the existing Cortes. Moreover, the next Cortes might put him out of office, the only thing necessary being a vote of three-fifths of the deputies. Is Señor Alcalá Zamora afraid of being deposed? It would not be surprising if he were. The premature dissolution of the Constituent Assembly and his conduct towards the men and parties who have governed their public have completely alienated the sympathies of those who almost unanimously elected him. His policy as President has been to break up the large parties of the Left and to remove from office the most eminent men in the republic, appointing in their place the most mediocre and unqualified. He has fomented schisms and imposed ministries of nonentities, like that of Señor Samper.

Señor Zamora has shown himself an "ultra-presidentialist."

His ideal seems to be that all ministers should be designated by him and that they should belong either to no party or to parties of no significance. Repeatedly, but in vain, Señor Zamora has tried to form cabinets presided over by men who were not even deputies. In recent ministries there have been various ministers who were not deputies and who were appointed only because they were friends of the President. Not even in the days of Alfonso XIII did the factor of personal likes and dislikes play such a decisive part in Spanish politics. This curious psychology of the President, in which ambition for personal power is combined with a well-defined inferiority complex, is one of the guiding motives, often the leading motive, in the already troubled history of the Spanish Republic. While the responsibility for the October revolution of *Acción Popular* is great, greater still is that of the President who, contrary to the spirit of the Constitution, opened the doors of the government to a party whose electoral power derives from the monarchists, and whose political program, repeatedly and publicly proclaimed, is to destroy, first the social and secular aims of the Spanish Republic, and finally the Republic itself.

This, however, is undisguised Fascism, adapted to the conditions of Spanish life. The three last minority governments, supported in Parliament by *Acción Popular*, were a preparation for Fascism or semi-Fascism. The direct participation in government of *Acción Popular* was two-thirds Fascism. The next step was to eliminate Lerroux definitely, as Martínez Barrio had previously been eliminated, and to exercise plenary powers, with or without Parliament, with the connivance and complicity of the President (as in the Austrian case of Miklas with Dollfuss). The only alternative was, overruling the President, to establish complete Fascism — a Fascism based particularly on the ownership of land, the Catholic Church, and the army, thus resembling rather the Fascism of Austria and Portugal than that of Italy and Germany.

Confronted by this apparently legal and long premeditated transfer of Fascist power to the Republican authorities, all the social and political parties which saw themselves threatened by the beginnings of a dictatorship revolted on October 5. They included the opposition republican parties, the government of Catalonia, and the workers' organizations of Marxist, syndicalist, and anarchist tendencies. This revolt was a secret to nobody except the President of the Republic and those parties forming the

Lerroux ministry. The Socialist minority had announced it in Parliament. It was published daily in the Socialist press. It was the inevitable theme at all working class meetings.

In reality the revolution began to germinate at the last elections, as a result of the methods of corruption and coercion employed to frustrate the national will. If it did not break out at that time it was because nobody expected that the President would hand over the government to an old monarchist party with expressly Fascist ideas. Nevertheless, writing in *FOREIGN AFFAIRS* immediately after the elections, I was in a position to make this easy prophecy: "If there is a dictatorship, there will be a revolution."¹ Strictly speaking, there has been a revolution before the dictatorship was firmly established, before it could seize power. It has been a "preventive revolution," chiefly inspired by the fatal example of German Socialism, which surrendered without a struggle, and of Austrian Socialism, which was vanquished in a struggle that came too late. Was the Spanish revolution premature? It has been momentarily suppressed. May it not have been a wasted effort? It is too soon to tell. But the moment is opportune to study the characteristics of this revolution and its historical potentialities.

II. ITS GENESIS AND CHARACTERISTICS

The intervention of the opposition republican parties in the revolutionary movement of October was purely platonic. The four republican groups led by Azaña (then in Barcelona), Martínez Barrio, Sánchez Román and Miguel Maura, contented themselves with publishing notes in which they severed their connection with the existing régime on the grounds that it had fallen into the hands of the Right and especially of *Acción Popular*. These are small parties, representing minute sections of the petty bourgeoisie. In the last analysis, all they proposed to do was to withdraw from Parliament. When they did withdraw on the opening of the Cortes on November 5, it was merely in protest against the unusual action of the government in extending the press censorship, which has existed from the beginning of the revolution, to Parliamentary speeches. But if the President of the Republic invites them to form a government to liquidate the revolution and prepare new elections, it will not be strange if all, or almost all, answer in the affirmative; so far as they are concerned, in that event, the present régime would have to deal with nothing

¹ "The Struggle in Spain," by Luis Araquistáin, *FOREIGN AFFAIRS*, April 1934, p. 470.

more serious than a passing fit of ill temper. They neither desire nor can effect a serious revolution.

The case is different with the Catalan *Esquerra* (Republicans), who have monopolized the government of Catalonia since the beginnings of the Republic. Their revolt against the central state consisted, as I have said, in proclaiming a Federal Spanish Republic and within it the Catalan State. This gesture, however, was not supported by arms, despite the abundance of armament and the numerous militia — called *escamots*, meaning “vigilants” — at the disposal of the Generalidad of Catalonia, not to mention the police forces. These armaments consisted of fifty to a hundred thousand rifles, machine guns, and armored cars. There existed a complete plan of campaign against the forces adhering to the government, which were a little more than a thousand men. But this plan remained in abeyance. A brief bombardment by the troops of General Batet, commanding the government army, caused the Generalidad building to surrender a few hours after the rising. What had happened? In order to understand the formidable collapse of the Catalan government, believed by many to be as staunch as a rock, but which turned out to be a house of cards, certain preliminary matters must be recorded.

The *Esquerra* party rested on two social forces, the *rabassaires*, or small farmers of Catalonia, and the syndicalists in the towns, particularly Barcelona.² Luis Companys, president of the Generalidad government, was the political leader of the *rabassaires* and at the same time, during the military dictatorship, he was one of the chief lawyers for the persecuted syndicalists.

Once the autonomy of Catalonia was established, one of the first moves of the Catalan government and parliament was to pass the so-called Land Act. Briefly, the purpose of this law was to break up the large landed estates, the origins of which went back to the Middle Ages, and to distribute them amongst the farmers who had been working them on lease from time immemorial, providing them with facilities for the purchase of those small parcels of land which had been rendered fruitful by their many years of devoted, hard work. The law was far from revolutionary and anything but socialistic, since it meant an increase in the number of landowners. But the present owners, represented by the Regionalistic League, the organ of the Catalan plutoc-

² The word *rabassaires* originally meant those who signed contracts known as *rabassa morta*, or dead vine contracts, that is, for the length of time the vines were alive in the vineyards.

racy in all its manifestations, raised a great outcry and compelled the Madrid government to bring a charge of unconstitutionality against this law before the Tribunal of Constitutional Guarantees.

This Tribunal, consisting chiefly of members of the Right, opposed to the autonomy of Catalonia and its secular and social policies, declared the Land Act unconstitutional. The Catalan parliament refused to accept this decision, and the Samper government, instead of enforcing it, entered into laborious negotiations with the government of the Generalidad with a view to finding a formula which would uphold the decision of the Tribunal of Guarantees and at the same time leave the Land Act untouched, save for a few slight modifications. This conciliatory policy was extremely displeasing to the right-wing parties, especially *Acción Popular*, which desired the annulment of the Catalan Land Act. They were further displeased because the central government had transferred the public services in Catalonia to the Generalidad, and because the Catalan government had wanted to remove certain judges who, in its opinion, were not enforcing with sufficient loyalty in Catalan territory the laws of that autonomous region. It was this displeasure which led to the fall of the Samper cabinet. On learning that *Acción Popular* was part of the Lerroux government the Catalans were convinced that this would mean the end of the Land Act and of the more vital powers conferred on Catalonia by the Constitution. Once again it was the triumph of traditional centralism over autonomy. The government of the Generalidad revolted against this centralism, which was a return to the policy of the late monarchy.

There were two elements back of the Catalan government, a separatist minority which would accept nothing less than the independence of Catalonia, and the majority, represented by Companys, which stood for the *status quo*. The compromise was the proclamation of the Catalan State within the Federal Spanish Republic. The extremist minority was in favor of using force in defense of the new Federal State; but the majority was opposed to an armed struggle and decided to surrender without resistance. It may be asked, why? I shall try to explain.

The *rabassaires*, who might have come to the assistance of the Generalidad, were not armed, nor could they be armed overnight. In any case, even if they could have been armed rapidly, a rural civil war would have had small chance of success, unless the general

strike had meanwhile overthrown the government in Madrid. This government had resisted the first attack of the strikers. The government of Catalonia, on the other hand, was afraid that a rural insurrection might come under the control of more radical elements, of the poorest peasants, imbued with socialistic doctrines, and be transformed into a social revolution.

This same fear determined the decision of the Generalidad to renounce armed resistance in Barcelona. The *escamots*, loyal to the *Esquerra*, might be enrolled by the socialists, communists, syndicalists, and anarchists, who were frankly at daggers drawn with the Generalidad government and the party which supported it. In recent months there had been numerous strikes, a proof that the city proletariat, disillusioned by the Generalidad government and its tendencies to serve the bourgeoisie openly, was returning to its old tactics of direct action.

On the other hand, many members of the *Esquerra* used language which was a constant insult to the urban proletariat. The majority of this proletariat comes from other Spanish provinces, mostly in the south of Spain, and especially from Murcia. "Murcianism" is an expression of contempt used by the most extreme Catalan nationalists to describe these working masses and the syndicalist methods which they employ in their struggles. With this contemptuous word all non-Catalan workers are continually insulted, and they are made to feel the reproach of being foreigners and, therefore, undesirable. This psychological factor, plus the tendency of the Generalidad towards a policy highly unfavorable to the great labor groups which had helped with their votes to make the *Esquerra* the government of Catalonia, explains the attitude of disillusionment and resentment on the part of the Barcelona proletariat so far as this party is concerned.

When the Generalidad revolted against the central government, the Workers' Alliance, consisting of socialists, communists, and in part anarcho-syndicalists, crowded into the streets, demanding arms with which to defend the insurrection. Not only were no arms given to them, but this insurrectionary movement of the proletariat must have intimidated the Generalidad as much as did the bombardment of General Batet. The government of Catalonia found itself caught between two fires, that of the Madrid government and that of the potential social revolution. Fear of this latter was not unfounded. If the Catalan proletariat had had arms at its disposal in October 1934 it would not have been

content merely to defend the Republic of April 14, 1931, much less its representatives in Catalonia. But the proletariat was unarmed. That is why the revolt there collapsed. Those who were prepared to support it had no arms, and those who had arms were frightened by the possible results of the revolution.

What history has frequently demonstrated was proved once again, namely, that a petty bourgeois party, placed between the power of the upper middle classes who control the state, and the mass of the class-conscious workers, is ineffective in revolution and always surrenders to the strongest side. Today it has surrendered to the central State; tomorrow it will surrender to the proletariat, should the latter win. The tragedy of the Catalan *Esquerra* has been its fear of struggle, that is, its impotence. And the same tragedy is true of all liberal and democratic parties of the center type; caught between the upper and nether millstones of Fascism and Marxism, they would like to remain out of or above the great historic struggle, but they are doomed either to be absorbed or destroyed by the contending parties.

The real protagonist of the October revolution was the working class. With the exception of the syndicalists and anarchists, which were always revolutionary organizations — in a little over two years they have risen in arms four times against the republic — the rest of the Spanish proletariat, the majority of whom subscribe to the Second International, had until now adopted parliamentary and evolutionary tactics. Twice, it is true, they had tried the general strike of a political character, in August 1917 and in December 1930. The former, save for isolated acts of violence, was peaceful. The latter was defeated by the lukewarm attitude of the syndicalist leaders. The leaders of the Socialist Party and the *Unión General de Trabajadores*, who have always worked in agreement, did not believe in armed revolt. At the congress of the Socialist Party and the *Unión General* held in 1933 there was a change of direction and tactics. Why?

One of the most influential causes of this change was the annihilation of the German Socialist Party early in 1933. This was the bankruptcy of democratic evolutionism. Contrary to what had been believed, Fascism meant much more than simply an Italian peculiarity. For the first time its universal traits were recognized. Fascism, as the French writer Rosenstock-Frank later said, represents the socialization of the losses of capital. To alleviate the economic crisis, wages had to be reduced and strikes

prohibited. Consequently, the simplest and most radical method was to suppress working class organizations based upon the class struggle.

Even in 1933 the Spanish socialists realized that Fascism would try to establish itself in all countries, including Spain. The propaganda of the right-wing parties in the November elections confirmed this presentiment. They declared quite openly that their purpose, if they were victorious at the polls, was not to allow members of the Socialist Party to sit in Parliament, but to destroy their political and trade union power all over the country and to wipe out their organizations by force. This threat is being carried out. The minority governments, manipulated according to the will of the Right parties, have been removing from office all municipal bodies in which there was a socialist majority. They have persecuted the socialist press to an extent unsurpassed even in the days of the monarchy, mulcting them of enormous sums and suppressing their editions almost daily. Recently, under the pretext of contraband arms and the discovery by the police of a few revolvers and bombs in the Casa del Pueblo in Madrid — kept there as a defense against probable Fascist attacks — the dissolution of a great number of workers' societies was ordered, the courts later acquiescing in this decision. The program of *Acción Popular* and other allied parties was being carried out.

Confronted by these facts, and seeing how the modest legislation of the republic was defied or undone, the disillusionment of the proletariat was unbounded. They noted what had been done and what was further threatened: the blocking of agrarian reform; the permitting of the religious orders to continue their schools, contrary to the provisions of the Constitution; the return to starvation wages in the fields; the granting of amnesties to all monarchists and permission to them to return to the service of the Republican State; and the restoration of a state tax in favor of the clergy, also in defiance of the Constitution. All of this, and what was sure to follow, was Fascism — not frank and rough, from the bottom up, from the gutter to power, as in Italy and Germany — but astute and concealed, as in Portugal, Austria, and other countries where the influence of the Church is strong.

The struggle was inevitable. The uprising in Austria in February 1934, so far from discouraging the Spanish proletariat, filled them with enthusiasm. The feeling was, let us rather die fighting, as in Austria, than be pulverized without a struggle, as

in Germany. Heroic defeats are always fruitful. History consists of the record of painful achievements, of momentary defeats, which alone make possible the triumphs of tomorrow. People remembered the Russian Revolution of 1905, without which the revolution of 1917 would have been impossible.

This spirit of combat prevailed particularly amongst the younger workers' organizations, which are deeply colored by communist propaganda, more especially that of the Trotsky variety, and in socialist circles. One might say that the revolution was the work of the younger proletarians. Most of the older leaders either separated from the movement or were carried in the wake of the younger men, without much hope or determination. There were magnificent exceptions, but it would be indiscreet to name them at this time, when the courts are eagerly searching for a central committee or important responsible individuals upon whom to discharge the wrath of the law and a frightened community. When all the details of this extensive and profound revolution can be known, it will be found that the younger workers, and they alone, launched it, even against the wishes of the trade union leaders. It was an irresistible movement, starting at the bottom, with the masses who were not prepared to accept Fascism without a struggle. The revolutionary tension had reached such a point that, if there had been no explosion, the socialist proletariat would have broken through its trade union framework and become incorporated with the communists and anarcho-syndicalists. This hitherto peaceful proletariat required this baptism of fire to mark the beginning of a new historical development.

With an army of tyros in this form of struggle, the strike suffered from the defects which characterize any untrained and technically unequipped force. A modern revolution, if it is to succeed, must be planned like a war. A revolution needs military as well as political leaders. The former were lacking in Spain. Whether they did or did not exist, or whether they did not join in the movement, would not now be prudent to inquire. The fact remains that military leadership was lacking. Hence the technical weakness of the revolution even where it was most intense, as in Asturias, Leon, and the Basque country. The revolutionaries in these provinces, mostly miners, had scarcely any other weapon than dynamite, in the use of which they were skilled. The Asturians had rifles and cannon, but were unfamiliar with their use.

In their objectives and mass movements they committed grave errors which would easily have been avoided had they been under the orders of army officers.

The insurrection centered in the mining hills of the North. It was helped by the rugged terrain of these regions and the virile qualities of the Cantabrians, whose natural strength is doubled by their herculean labors in the coal and iron mines. It was less intensive in the towns, because these were better defended and the concentration in them of masses of men was more difficult. In Madrid, where I was an eye-witness, except for two or three attempted attacks on barracks, the struggle took place between the government forces in the streets and the revolutionaries who were firing from terraces and balconies. Such tactics may seem futile; but there is no doubt that, when prolonged, they begin to affect the nerves of those who are attacked. At the end of three days the government troops were unmanned morally by the hostilities of an invisible enemy.

In a negative sense the surprise of the strike was the attitude of the rural districts. Central Castille, Estremadura, Andalusia and Aragon responded to the strike, but with little or no violence. This relative weakness can be attributed to two things. One was the disillusionment and resentment left in the minds of the rural proletariat by the general strike engineered all over Spain last spring by the *Federación de la Tierra*, a branch of the *Unión General de Trabajadores*. The leaders of the *Unión General* and the Socialist Party did not lend the strike the moral and material support which had been expected in the country, for they considered the strike to be inopportune and ineffective, as indeed it turned out to be. Without the assistance of the other unions, the strike rapidly declined, weakening the *Federación de la Tierra* and spreading confusion amongst the country people, who felt they had been abandoned. This state of mind explains the half-hearted way in which they took up the strike in October. For them it was too late, just as their strike in the spring was premature and ill-advised for the other unions.

The other factor was the lack of solidarity between the anarchists and syndicalists in the provinces, where they have considerable power of their own. They did not prevent the strike from being general, but they did not wish to give it a revolutionary slant. In this pacific attitude there was also a shade of resentment. It was an answer to or a reprisal for the fact that the so-

cialist organizations had refused to join in any of the four armed insurrections promoted by the anarcho-syndicalists. At the same time it must be remembered that the anarchist and syndicalist leaders could not be expected to take a favorable view of the change of tactics in the socialist unions, since the latter might attract their own followers.

Only in the North was there united action between all the working class sections, socialists, communists, syndicalists and anarchists. This is another reason, in addition to those already indicated, for the extraordinary intensity of the insurrection in these regions and the variety of its manifestations, particularly in Asturias. In some places money was abolished and libertarian communism was proclaimed, two typically anarchist gestures. In others a Soviet was established, an obviously communist move. In the majority the socialists predominated, and they, of course, subordinated their local victories to that of the central State. But when Catalonia was conquered and the insurrection in Madrid suppressed, as well as in most of the provinces, the end of the struggle in Asturias was a foregone conclusion.

Nevertheless, it must not be assumed that the government and the parties supporting it are satisfied with their victory. If I am not greatly mistaken, it will be one of the most Pyrrhic victories ever achieved by any government. In the first place, since the insurrection was fairly feeble, for the reasons indicated, the enormous weakness of the government became only too obvious. In spite of its proven valor and iron discipline, the *Guardia Civil* was defeated in almost every case where there was fighting in the country. The government troops could not have withstood sniping in the cities for more than a week. The greatest weakness was revealed by the government's fear of using the regular army, except a few small companies used in Asturias and against the Generalidad in Catalonia. Since the loyalty of the rank and file and a considerable number of non-commissioned officers seemed doubtful to such a government as Lerroux's, they were kept in barracks as a precautionary measure. There was scarcely any effort even to use them for transport and other public services.

The insurrection was put down by mercenaries, recruited from Africa, from the *Tercio* — originally a foreign legion, but now restricted as to the enlistment of foreigners — and from *Regulares*, that is, Moroccan soldiers in the service of Spain. The ferocity of these troops is proverbial, and they were used to suppress the

insurrection in Asturias. The Moors could not penetrate to this region from the eighth to the fifteenth century, when they invaded and dominated Spain; and it was precisely in the mountains of Asturias, in a place called Covadonga, that the reconquest began. Now they penetrated to Asturias by sea, invited by the Christians, and paid by the republic to fight the new heretics, the revolutionary miners. This scandalized many victims of the revolution. The atrocities committed by the *Tercio* and the *Regulares*, not only during the struggle, but after the armistice, will scandalize the world when they are known. Rarely has a government exercised so brutal a terror. The traditionalists have always complained of the dark legends invented by foreigners about Spain; but compared with the known though still unpublished facts the darkest legends are pale.

But terror does not frighten. Some people are killed, but the survivors, far from being intimidated, clench their fists in anger and hide their guns for another day. "They beat us this time, but the next turn will be ours," say the fugitives. The bravery and combative spirit of these people are infinite. "With these men," said an officer of the government troops, referring to the revolutionaries, "I could conquer Europe." With these men they can conquer everything, except the men themselves. The civil war continues. Everybody says that the laying down of arms is merely a truce.

The civil wars in Spain during the nineteenth century were the bloody struggles of one oligarchy against another. The present war is one of the proletariat against all oligarchies, against ancient monarchies and new republics whose common denominator is Fascism. The Right would not allow Spain to have a moderate republic, liberal and democratic. The October revolution was the reply. A revolution has begun, but nobody knows when or how it will end. Probably it is too late for a moderate solution, for the restoration of the Republic of April 14.

THE REALISTIC FOREIGN POLICY OF JAPAN

By A. E. Hindmarsh

FOUR recent deliberate moves by Japan have aroused suspicion and resentment in many parts of the world. By invading Manchuria and establishing the state of Manchukuo, Japan in 1931 issued a challenge to the world's effort to set up workable machinery for the peaceful settlement of international disputes. That challenge went unanswered, for no state, not even China, was prepared to reply in kind. In 1933 Japan began a drive for trade predominance in markets hitherto regarded as peculiarly the field of Western enterprise. To this challenge there was a prompt response in the form of tariff and quota restrictions aimed at Japanese goods. In recent months Japanese leaders have expressed a dissatisfaction with existing naval ratios and have demanded legal equality with the United States and Great Britain. Finally, on April 17, 1934, the spokesman of the Japanese Foreign Office issued an open claim on Japan's behalf to a position of paramountcy in the Far East, seemingly in disregard of the interests of other major Powers and of formal legal obligations.

In other words, Japanese statesmen, usually farsighted and realistic, appear not to hesitate in pursuing aims certain to provoke international ill-will. A careful observer should at once suspect the existence of some impelling cause behind these manifestations of aggressive policy. It is not enough to say that the Japanese Government and people are at the mercy of a reckless military clique. The Japanese people are disciplined but neither docile nor unintelligent. They have been presented with a reasoned defense of recent foreign policy, and their constant support is based in large part on a line of argument worthy at any rate of repetition in the United States in the interests of mutual understanding. Japan is confronted with a pressing problem; her foreign policy, whether wise or unwise, can be understood only when it is examined with relation to the necessity for solving that problem.

For at least two decades Japan's foreign policy has been chiefly directed towards the alleviation of overcrowding and unrest resulting from excess population. In 1637 the Tokugawa Shogun, Iyeyasu, closed Japan to foreign intercourse and began an era

which was not to end until the "hermit nation's" doors were opened in 1853. By that time the desirable empty areas of the earth had been acquired by the white races. For a century and a half prior to the Meiji restoration in 1867, Japan's population remained stationary at about thirty millions. Then the New Japan plunged into a program designed and destined to place herself on a plane of material equality with the states of the Western World. During the half-century from 1860 to 1910 the Japanese nation experienced a series of political, social, and economic upheavals fully equivalent in their combined effect to the European Reformation, Renaissance and Industrial Revolution, as well as the French Revolution. Almost overnight Japan was transformed from a mediæval state with a feudal society to a modern state ranked with the Great Powers of the world. The rapidity of that transformation is illustrated by the fact that one may find today in the modern cities of Japan men who in their youth battled in suits of armor and with the deadly two-handed sword of feudal samurai.

The transformation of mediæval Japan into a modern industrial state encouraged a correspondingly rapid increase in population. A whole new class of society, the factory proletariat, was called into being as an inevitable accompaniment of the industrial revolution. People flocked to rising industrial centers, which trebled in size from 1890 to 1925, while the population of the countryside increased only seven percent. Government-created factories called for workers, and the overflow of the farms provided them. In the first four decades of modern Japan, from 1875 to 1914, the population nearly doubled. This population increase was welcomed and absorbed. By 1925 Japan found her industrial labor markets saturated; but the population increase continued. Japan had advanced in the Western sciences of medicine, sanitation, engineering, etc., to a point where she assured her people of a "European" death rate of 17.72/1000, while they continued to increase at an "Oriental" birth rate of 32.92/1000. Moreover, this birth rate grew at a pace unparalleled in history (25/1000 in 1872, 32.92/1000 in 1926). The net result has been an alarming increase in population, far beyond the normal needs of the industrial growth which gave it impetus. In 1932 the natural increase, *i.e.*, the difference between births and deaths, reached the peak of over one million. Today, the population of Japan proper is 66,000,000 and the most conservative Japanese study shows the

probability that by 1950 it will reach 78,000,000. After that time, assuming the present tendency towards lower fecundity continues, annual births will decrease and the population will probably never exceed 94,000,000. Japan, therefore, is facing a situation which cannot be deemed insoluble, but it is one which calls urgently for immediate alleviation.

What does this mean to the Japanese people? Each year for the next fifteen years there will be an additional million mouths to feed, and 250,000 new jobs to find. With 959 inhabitants for every square kilometer of cultivated land, Japan's population, in terms of persons per unit of cultivated ground, is twice as dense as that of China. It is said that a common impression of Western travellers in Japan is a feeling that one is constantly moving in cities and suburbs of cities. The effect of over-population is not so apparent in the size of the unemployed in the cities as it is in the excessive cutting up of land holdings, which are split into smaller and smaller plots to absorb the increase in family numbers. The average agricultural family of five today extracts a living from about two acres of soil. Economic and social pressure urges young men to compete fiercely for relatively secure positions in the government service. A few months ago 10,000 candidates competed for 465 places in the military academy; 300 Imperial University graduates recently fought for eleven places in the diplomatic and consular services. All branches of the government are over-supplied with officials, and it is not uncommon to hear competent observers state that the Japanese bureaucracy is as large and ubiquitous as it is simply because the government has been practically compelled to create places for the thousands of ambitious and brilliant young men who come forward year after year from the colleges and technical schools. Frequent suicides among young intellectuals are ominous of middle-class distress.

How to check this remarkable increase in population or dispose of the excess is Japan's pressing problem. For two decades Japanese leaders viewed the situation with increasing alarm and have examined four possible remedies.

1. Birth control is immediately suggested as a remedy. It cannot solve the problem, however, for the simple reason that the workers are already born. Moreover, the mass of public opinion is so hostile to this suggestion that it is practically never proposed, even as a future palliative. It is not unusual to hear the

suggestion opposed as a foreign plot to undermine Japan's prestige. There is also some religious hostility based on the view that "ancestors are entitled to the good deeds of many descendants." In Japan family worship remains both a sacred and a patriotic duty. Birth control offers no immediate or effective solution to the existing problem.

2. For a short time emigration seemed to offer possibilities, but its limitations are now only too obvious. The Japanese people are extremely reluctant to leave their homeland, even for lands where opportunity is great and conditions are inviting. Their natural inhibitions are fortified by geographical and legal prohibitions. In the lands which are still legally open to Japanese immigrants, the climatic conditions are forbidding or attract workers with whom the Japanese cannot compete. The tropics, for example, entail competition with natives or Chinese laborers working under a standard of living which Japanese laborers cannot meet. Manchuria possesses a climate in the main too rigorous for Japanese farmers. The government finds great difficulty in inducing colonists to go even to the Japanese islands of Hokkaido and Formosa. Korea was once regarded as an outlet for Japanese colonists, but the fact is that the number of Koreans who have emigrated to Japan since 1910 exceeds the number of Japanese who have emigrated to Korea in the same period. The United States and the British Dominions have legally closed the door to Japanese immigration. Only South America remains, and there Brazil alone seems to offer opportunity. In spite of the subsidies which the Japanese Government has offered, however, Brazil has attracted less than 150,000 Japanese to date. Even this outlet is apparently soon to be closed, for a Brazilian constitutional amendment of May 1934 drastically limits the entry of Japanese.

This turning of the tide has been general in nearly all countries which in the past have attracted Japanese emigrants. The year 1930 showed a decrease of over 30 percent in the number of Japanese residing abroad as compared with the previous year, and the decrease has continued. Official sources attribute this fact to "unfavorable social and other conditions." The total number of Japanese emigrants abroad today represents less than half the annual net increase in population at home and the number of repatriates tends to increase.

3. The possibilities of improving agricultural methods and extending cultivated areas in order to increase home food supplies

and absorb rural labor are not great. It is estimated that a general increase of 20 percent in agricultural returns might be effected by a greater use of scientific methods, grain selection, rotation of crops, and use of fertilizers; and steps are being taken in this direction. The government is attempting also to extend the rice-growing area in Central and Northern Japan. By applying both intensive and extensive agricultural improvement, it hopes to add the equivalent of 75,000 acres yearly to production totals. This is inadequate, however, not merely because the maximum yield per acre is being rapidly approached, but because 142,000 acres must be added each year to meet the rice requirements alone of the annual increase in population.

4. Birth control, emigration, and agricultural improvement have all been examined or tried as solutions for population pressure without satisfactory result. The Japanese Government has chosen to meet the situation by industrialization at home. It has been found an easier task to export merchandise than to induce Japanese to settle abroad or to persuade unwelcoming countries to accept them. Extension of the economic frontier has, in the case of Manchuria, resulted in extension of political control, but even there the motive was protection of economic interests. In essence, industrialization means the creation of large manufacturing centers which will absorb the surplus farm workers. Japanese goods are now flooding world markets, and the proceeds are used to purchase food supplies and raw materials with which to feed the excess population, give them jobs, and provide new exports.

Japan's challenge is to the industrial states of the West and in the field of industry. Paradoxically, she lacks nearly all the requirements of modern industrial development. Great Britain and the United States control sixty percent of the world's coal; Japan's reserves of $7\frac{1}{2}$ billion tons will last less than forty years at a stage of industrialization equivalent to that of Germany. There is in Japan no geological promise of oil, and today she imports sixty percent of her needs. Her supply of iron-ore is limited to a few deposits which produce less than half the output of Luxembourg, with a population of 300,000; the equivalent of her total reserves is consumed every twenty months in the United States. More than half of her iron and steel supplies come from overseas. Two-thirds of her water power is already harnessed and in use. Finally, she imports practically all her cotton, rubber, lead, zinc, sugar and

dyes. Raw materials, indeed, constitute seventy percent of her total imports and must continue to come from overseas in increasing proportion. The outlying possessions of Korea, Formosa, and Karafuto consume the whole of their output of coal, ore, and cotton. It is not unnatural for Japanese leaders to regard Manchuria as a "life line," for that territory offers deposits of coal, iron ore, cotton-growing areas, and huge supplies of the staple food, soya beans. The coal resources of Manchuria are frequently minimized, but the South Manchurian Railway Company estimates the reserves at 2,700,000,000 metric tons. More than 2,000,000 tons of Fushun coal are exported to Japan yearly from a reserve of a billion tons. Fushun coal, like the 100,000,000 tons in reserve in Penchi, is of superior quality. Manchuria, and indeed all of North China, must loom large in the industrialization plans of Japan.

In her aggressive policy towards China, Japan has given evidence of her determination to control the immediate sources of those raw materials which are necessary to bring about the industrialization of her homeland. But industrialization involves also the sale of manufactured articles in foreign markets, and Japan has learned that an aggressive foreign policy does not guarantee or create stable markets for exports. That the Japanese drive for export trade which began in 1932 has been over-successful is shown by the threats and measures of reprisal employed by her chief competitors. Her export trade has increased in two years by 63 percent, from 1,146,000,000 yen in 1931 to 1,861,000,000 yen in 1933, and the gain has continued month by month this year, until Japan is now the world's leading exporter of rayon, cotton textiles, matches, and raw silk. Last year her textile mills paid dividends of 18 percent. Her sales to Latin America for the first three months of 1934 doubled those for the same period in 1933. Her exports to the Philippine Islands in the first quarter of 1934 almost doubled those of the first quarter of 1933. In 1932 her exports to Afghanistan totalled one million yen; in 1933 they jumped to twenty-three million yen.

Several factors have contributed to the success of this export trade offensive, but none of them can be called purely accidental. Labor costs in Japan are low, not merely because a simple standard of life prevails among her laborers, but also because her mills and factories are equipped with up-to-date machinery. On a Toyoda spinning machine one operative cares for from twenty to

forty spindles, and the number tends to advance; in England the average is from four to eight, and the number is stationary. By going off gold, Japan gave her foreign customers a price reduction of some sixty percent on Japanese goods. The government has made free use of subsidies, especially to shipping interests, which are thereby induced to extend their services into remote markets. Competent observers have noted the high degree of unification of promotional and sales work, including coöperation in manufacture, unified governmental export control, conditioning and inspection, preferences to Japanese financing, insurance, warehousing and shipping, and the establishment of sales agencies abroad. Trade missions and display boats, or "floating sample marts," are constantly opening up new fields — along the African coast, in Egypt, India, Brazil, Ecuador, Morocco, Australia, Java, Iraq, Persia, and Afghanistan. If potential customers have no cash, barter terms are proposed. It was recently reported that Japan had offered to trade 100,000,000 yen worth of warships for Brazilian coffee, and one warship for a quantity of Mexican oil.

Mere enumeration of the factors which have enabled Japan in recent months to undersell her competitors in markets traditionally monopolized by them indicates that Japanese manufacturers have simply become all too efficient in Western industrial methods. American, British, and French warships compelled Japan to open her doors and to accept the material standards of the West. Now Japan finds that she can alleviate her population problem only by an industrialization program which menaces the economic superiority of her aggressive tutors in fields long peculiarly their own.

In the fall of 1931 the virtual military conquest of Manchuria by Japan startled the world. The Sino-Japanese crisis, with all its issues, was brought before a world tribunal for debate and a mild form of judgment. Since 1932 Japan's trade offensive has been even more effective and successful than was her Manchurian venture, but no world tribunal exists to try the merits of Japan's case. In reality, political control of Manchuria is merely incidental to Japan's industrialization program, for the impelling reason behind the Manchurian episode was Japan's need for more direct control of raw materials and markets in the interest of expanding trade. Japan's trade offensive is a more real manifestation of her foreign policy than the military conquest of Manchuria.

Japan's dilemma lies in the fact that she can succeed in her

plan of industrialization only if she pursues an aggressive foreign policy which must, for various reasons, provoke the resentment of China, Russia, Great Britain, and the United States. All of these Powers are interested in China, Japan's chief source of supply both of materials and markets, and Great Britain is vitally affected also by Japan's invasion of other trade markets. But, just as Japan allowed no abatement of her activities in Manchuria as a result of the League of Nations criticism, her present trade drive continues in spite of tariff and quota reprisals laid down by other countries. Japan believes that people will inevitably tend to buy in the cheapest market.

No government faced with this problem could long avoid the enunciation of a foreign policy designed to meet the requirements of the situation. It is apparent, for example, that in China Japanese foreign policy must find its test, that Japan has a greater interest in seeing peace and order prevail in China than has any other state. Not only does she have direct investments in China exceeding a billion and a quarter dollars, but her dependence upon China as a market and source of supplies increases yearly. Japan's trade with China constitutes 24 percent of her total foreign trade (as compared with $3\frac{1}{2}$ percent in the case of the United States and 1.6 percent in the case of Great Britain). It has been pointed out that for the past sixty years every phase of Japan's intellectual and moral evolution has impelled her to turn away from China. But now economic forces are reuniting her more closely than ever to the continent.

In the light of these considerations, the "special position" which Japan claims for herself in the Far East, a claim which is frankly set forth in almost every declaration of Japanese foreign policy made during the past three years, is at least an understandable matter. That special position is the total of Japan's exceptional treaty rights in China, plus the natural consequences of her geographical position, now rendered more vital by the existence of a pressing population problem the solution of which has been both necessitated and resented by the Western World. The Foreign Minister of Japan has recently declared that his government "has serious responsibilities for the maintenance of peace in Asia, has a firm resolve in that regard," and that his country sincerely hopes for the political and economic rehabilitation of China.

From this claim to primacy of interest in Far Eastern questions and events flows also a claim to naval armaments equal in

strength to those of other Great Powers. The interests of these, the Japanese say, are no more extensive than those of Japan. A prominent Japanese writer has asked us to imagine Mexico magnified $2\frac{1}{2}$ times in area and 20 times in population, and the United States diminished in area by 90 percent and in population by 20 percent, stripped also of the surplus part of its abundant natural resources and yearly more crowded for room — then, he says, we will have a vivid image of Japan's outlook on China.

Japan's foreign policy may ultimately fail of its objective, but it is nevertheless a realistic policy, based on something more fundamental than a mere militarist concoction. Nor can we assume that a change in government will change the situation, for the policy here outlined seems to offer the only lasting solution. Japan sees herself as contiguous to the two greatest and most restless nations of the world, and yet day by day more dependent economically and strategically on the one of them which is directly subject to the disrupting influence of the other. Her apprehensions may be exaggerated; but they are the mainsprings of her present active policy, and that policy deserves more effort at understanding than is shown when it is dismissed as mere military madness.

GERMANY: BATTLEFIELD OF THE MIDDLE CLASSES

By Sigmund Neumann

THE chief aim of Germany's post-war foreign policy has been to get rid of the burden of Versailles. Whether by destroying the treaty by means of her own power; or through an alliance with Russia to combat the "western capitalistic system" and the treaty that was its symbol; or by a rapprochement with England and Italy which might make them new allies; or by means of a direct understanding with France — whatever the form, Germany's aim has always been the destruction of the intolerable treaty. In this aim all her politicians agreed. Their differences seemed to be a matter of political temperament. But it was more than that. There were different types of politicians fighting for the upper hand. They belonged to different social worlds, or at least they thought so.

The struggle over the course to be taken by the German Republic in foreign affairs was fought out in three phases, which marked off at the same time three main periods of internal development. The first epoch ended with the liquidation of the Ruhr struggle and the stabilization of the German mark; the second ended with the Hague settlement and the collapse of the great coalition between the German People's Party and the Social Democratic Party; the third reached its culmination in the seizure of power by the National Socialists in 1933.

The first five years after the Armistice were marked, so far as internal politics went, by the effort to establish and consolidate the Republic. There can be no question that the masses generally longed for peace after the convulsions and losses of war; but from the very first day of the breakdown of 1918 there existed also the idea of a *levée en masse*. The warrior had not yet returned home. A part of the fighting spirit was preserved in the revolutionary spirit.

Every decision in German foreign affairs during this epoch was unstable. The internal struggle regarding the acceptance of the Treaty of Versailles remained undecided until the last minute. The reception of the London ultimatum (1921) and the development of the struggle in the Ruhr demonstrated the unsteadiness of German policy at this time. This instability was in no small

degree caused by the policy of the victorious Powers, which made it difficult even for those groups which aimed to bring about a reconciliation to persist in their ideas. In this sense there was no clear distinction between Right or Left wings. The political fronts coincided only superficially with the party groups. A struggle went on daily in the soul of every German.

Nevertheless, there were distinct types confronting each other. Graf Brockdorff-Rantzau and Mathias Erzberger were characteristic opponents during this decisive time. There is no doubt that the Germany of the "policy of fulfillment" was not solely composed of types of the petty-bourgeoisie like Erzberger; but even less would it be true to say that the resistance to the proposed treaty was made up wholly of people so aristocratically minded as Brockdorff-Rantzau. Hermann Mueller, the Social Democratic leader who signed the Treaty of Versailles, showed vivid heroism in spite of his petty-bourgeois make-up. Walter Rathenau, too, later Minister of Foreign Affairs, was far from Erzberger's world, and by his appeal to the nation for a *levée en masse* in October 1918 (as an answer to the military's confession of collapse) showed that he was not a simple advocate of fulfillment. On the other hand, Helfferich, who shortly became the spokesman of the German nationalist opposition, was a calculating upper-middle-class type with a wide international outlook like Rathenau's. In spite of these obvious differentiations in political leadership, Brockdorff and Erzberger may be taken as representing to some extent the contrasts of this first epoch, embodying the genuine qualities and fatal limitations on both sides.

A petty-bourgeois Germany and a revolutionary-military Germany stood face to face. Erzberger's advice was: "We must admit everything and then they will forgive us." And again, "In politics you must negotiate with your opponent just as a merchant deals with his partner." These words of the former school teacher in a small Black Forest town were what would be expected in a man of busy activity and easy optimism. His policy was accepted by a people longing for rest and new hope after four years of war. But good-nature and self-satisfaction were not up to coping with great diplomats. Neither was there any bridge from the world which Erzberger represented to the fighting Germany which had not yet returned home.

At first this other side of post-war Germany — the fighting side — found no real representative. Its old leadership was com-

promised by the manner in which the war had ended, and dismayed by the sudden collapse of the German Empire. True, a band of young men in the Baltic provinces and in Upper Silesia showed that there were still soldiers always ready to fight, but on the whole it did not amount to more than a private army of a militia type. Captain Erhardt — the real leader of the Kapp-Putsch in March 1920 — did not become the Napoleon of the German Revolution. It did not even find its Trotsky.

Nor was Brockdorff-Rantzau the real representative of this militaristic Germany. Characteristically enough, it was not a big landowner of the German East who took the leading part in the struggle against Versailles, but the "Red Count" rooted in the pre-Prussian traditions of Schleswig-Holstein, long known for his politically Left inclinations. At bottom an aristocrat with a world perspective, very lonely in his way of life, he did not separate himself from liberal democracy until at Versailles the latter renounced what seemed to him all possibility of Germany's defending herself in foreign policy. His proud bearing at Versailles, and his unread speech prepared for the National Assembly at Weimar to prove that the treaty could not be fulfilled, made him the symbol of the resistance to Versailles. "The decision which I expect from you is the declaration of inexorable struggle against capitalism and imperialism, the document of which is the Treaty of Versailles." Weimar accepted the Treaty, and he resigned. As German Ambassador at Moscow some years later he tried to strengthen the relations between Germany and Russia and to prepare for the realization of his cherished idea: "I believe that the mischief of Weimar can be put right later on from Moscow."

The first epoch was brought to a close by the conflict in the Ruhr. This had started as a demonstration of the whole German people's united spirit of resistance; its collapse seemed to end the hope of a military solution of Germany's problems. For France it connoted the end of an epoch as well, because the occupation had not been a success. The French elections and the victory of the Left Cartel proved this. Thus the Ruhr adventure cleared the atmosphere by demonstrating the limits of direct action.

After this, politics took a fresh turn. The new era was clearly characterized by the personalities of Briand and Stresemann, and it proved to be the only post-war epoch during which there were real French-German conversations. These were possible because the meetings between Stresemann and Briand and Herriot were

meetings of representatives of the European burgher class, speaking the same language and holding the same values. Upon this fact depended the whole policy of Franco-German understanding and the so-called spirit of Locarno.

Stresemann had grown up with the ideals of 1848. As a student he had opposed the changes in those ideals that overtook the majority of German students; as a minister he tried to make those ideals appeal to a new student generation. He was almost the only republican minister who awakened some response in academic circles. Meantime the ideals of 1848 had changed considerably. The German national-liberalism of the Bismarckian era had brought about a characteristic union of "property and culture." That made it the representative of the upper middle classes. Idealism and practical policy became insolubly combined; and with them, in a very strange mixture, liberty and power. This led to the stabilization of constitutional law at home and a powerful policy in foreign affairs, *i.e.* economic expansion and the building up of sea power. As a matter of fact, the middle classes resigned their influence upon internal affairs. What remained was only an apparent retention of the constitution. This was the compromise which the middle classes accepted after their political defeats of 1848 and the so-called conflict of the constitution between 1862 and 1866. The middle classes were deprived of all sense of political responsibility; but it was only after the war that the serious consequences of this became evident. With these developments came a decisive change in the middle classes themselves, characterized by the replacement of a politically-minded "burgher" by an economically-minded "bourgeois."

The German Republic offered the chance for a re-transformation, for the re-birth of a political middle class. Stresemann seemed to be the clear expression of this tendency — the re-awakening of the traditions of 1848 and the enlargement of those traditions by the adoption of the world-wide view of national policy which opened up early in the new century. Stresemann showed this peculiar mixture of idealism and realism. This dreamer with the eyes of Coepenick Street (the miserable district of Berlin where he was born) was a connoisseur of literature and at the same time head of an industrial association. It was by no mere chance that he became the founder and leader of the German People's Party. Even in pre-war times Stresemann, by founding and leading the industrial association of Middle-Ger-

many, fought for small industry against the domination of the heavy industry of the Ruhr. He really represented the German people; even in outward appearance he was of a type usual in Germany. The German People's Party found election successes easy with the simple catchword: "Don't bother about the others, you vote as Stresemann will." Perhaps his brain worked faster than the average German, and he was more versatile, but he had the same conceptions. It is interesting that Prevost in his "History of France Since the War" has described Herriot in the same manner: "He is an average Frenchman — a stronger dose but the same mixture."

Stresemann was not a revolutionary; he was at bottom uncomplicated, simple, affirmative. He was not shaken by crises in belief. He was not an insurgent by nature. He was a liberal in the fullest sense of the word, particularly in his idea of mankind. His nature was happy, impulsive, with strong tensions but reconciled contrasts. Almost automatically he achieved an inner harmony, and transferred it from his personal philosophy to the world. Thus with that naturally liberal optimism which regards the whole process of the world's history as nothing but a gradual evolution toward the good, he saw great perspectives opening up where others scarcely perceived the first feeble tendencies. It was said quite rightly that his approach to Lord D'Abernon, the British Ambassador, rested upon simply a lack of mistrust.

Here lies the basis of Stresemann's whole foreign policy. His first success rested upon his going halfway to meet his adversary. He did not claim the maximum in order to get half. But the Locarno Pact was not the result of just a tactical manoeuvre. Stresemann's policy of understanding raised the dispute over Versailles to another level, and brought at least a temporary economic solution in its turning away from the Dawes Plan to the Hague Conferences. The understanding with Briand, however, was more than that. It was based upon a common human ideal, the same social standard of values. It happened that two European statesmen met. But it is not chance that the meeting was the most fruitful of the long series of German-French discussions since the war. It is a tragic fact, as Professor Toynbee has rightly pointed out, that the Stresemann-Brüning régime in Germany and the Herriot-Daladier régime in France were not only not contemporaneous, but actually did not overlap — except in this Locarno period, which was only a beginning.

This policy of understanding — the second period of Germany's post-war foreign policy — was frustrated just when it had apparently triumphed with the evacuation of the Rhineland. This can be explained only superficially by Stresemann's death.

At bottom the third epoch which then began, and in which the rise of National Socialism was already foreshadowed, demonstrated how fragile was the basis of Stresemann's policy. In the economic field this became generally evident in the banking crisis of June 1931. The prosperity of 1924-29 was only a boom on credit produced by foreign loans for German finance. Thus the consolidation of the Republic in this epoch proved to be only apparent. This was true in a much deeper and non-economic sense. At the beginning came the inflation — in many respects the price paid for stabilization. Business, freed from debts and obligations, found a new starting-point. But it was not until five years later that the social effect of the inflation, and the political consequences, became evident. It meant the beginning of the end for the middle classes. And this occurred just at the advent of an epoch which promised under Stresemann's leadership to give the middle classes predominance. From now on it was not only a middle class broken by the pre-war development in Germany and handicapped by its own lack of political consciousness; now it had been shaken to its very foundations. The year 1929 demonstrated just how far the "property and culture" of the former liberal middle classes had disappeared. From now on they were without their original power of resistance and capacity for influencing their environment. After this convulsion the king-pin of middle class values — the idea of security — was shattered.

The process began with the shrinking of all economic security in the period of inflation, which withdrew the guarantee which middle class people enjoyed by virtue of their training, occupation and standard of life. The authority of money was diminished. Money had been the measure of social prestige in the nineteenth century, identifying, according to Guizot's well-known formula, wealth and the moral good in middle class civilization. The hierarchy of property still existed *de facto* but no longer *de jure*. The possession of property was more and more generally condemned in the popular judgment and even among well-to-do people. In any case, with the loss of property the burgher ideals of property and saving lost ground. From this side, too, the ideal of the individual was attacked. It is no mere accident that (as Pierre

Vienot rightly pointed out in his "Incertitudes Allemandes") in Germany at that time one did not ask: "How are your affairs?" or: "Do you earn much?" but: "How is the economic situation?" This tells only a little about the current practice but much about the public's opinion of the validity of the economic system. Here is the social-psychological root of socialism, even though of a vague and ambiguous variety.

The disturbance was of course not restricted to the business world. It touched all spheres of life, including foreign politics. Established orders, treaties, contracts, mutual understanding in arranging a dependable sphere of action, are no longer valid when the foundations crumble. The burgher is ready at such an hour, feeling that his internal economic security has been betrayed, to speak for an extreme revolutionary foreign policy — even if only to gain thereby compensation for his lost security in the internal sphere. This is the more true of a younger generation grown up in wartime and revolutionary chaos, which never knew the security of a bourgeois existence and which could only hope to alter the entire uncertainty and hopelessness of its future by a bold stroke. Here the often-discussed problem of the older and younger generations was strikingly in evidence. The 1929 plebiscite of the Hitler-Hugenberg-Seldte front against the Young Plan, although a failure, brought the first organization of a new orientation in foreign politics. It was the hour when the Hitler cabinet of January 30, 1933, was really born.

In 1929 the economic world crisis began. In Germany it revealed the breakdown of a surface boom. Simultaneously Germany experienced — as did other countries in lesser degree — the rebirth of the war as reflected in literature. After a period of ten years there was a peculiar revival of interest in war experiences. It was at once the resurrection of the warrior and a demonstration of antagonism towards him. The soldier had never been absent in Germany during Stresemann's period. His unrest had not been overcome and subdued. He had only stepped into the background. He lived on in many military political leagues. And now he got into touch with the new social groups that were pushing toward an anti-bourgeois reaction. The social revolution massed them together and gave them a revolutionary impulse.

It has been sufficiently demonstrated in political literature that this crisis extended far beyond the economic realm. It invaded all spheres of life and affected — maybe as an outpost's skirmish —

the whole of European thinking. No wonder it touched general European foreign policy, which was substantially the burgher policy of security. In Germany, the Stresemann effort at reconciliation seemed to be submerged. The various inconclusive moves of German foreign policy (such as the proposal of an Austro-German tariff union in 1931) pointed to a revolutionary change.

It is, however, true that the Stresemann influence extended further into this third period, which reached its culmination in Hitler's seizure of power, than the collapse of the Stresemann policies seemed to indicate. The years 1924-29 in Germany, although in retrospect they seemed to be merely a surface boom, diffused an extraordinary amount of burgher philosophy even among the proletariat classes. The economic crisis and the following enormous unemployment eventually destroyed this development. Nevertheless these years of stabilization to a certain extent brought about a social readjustment by providing a rest period in which burgher values could revive. This had a definite influence on the generation then growing up. Simultaneously the pre-war generation staged a "come-back." The war had meanwhile killed the best representatives of the wartime generation, and had destroyed the bourgeois way of life for many of those who returned home. They seemed almost forgotten. Grandfathers and grandsons now joined hands over their heads, leaving them behind as unfit for the daily struggle.

This break disturbed the inner continuity between one generation and the next. Forces accumulated, ready to burst through in a crisis. When the crisis came the forgotten generation and the youngest generation joined hands. It was this reinforcement of the warriors of 1918 by the post-war generation — more bourgeois-minded, yearning for order and security — and their joint success in winning over some bourgeois pre-war politicians, which laid the foundations of the victorious National Socialism of 1933. Thereby it differed from the first insurrection of 1923, which had been destined to fail because it was an incipient revolution of the warriors alone. National Socialism meanwhile turned to legal methods, not only out of tactical considerations, but because it found itself face to face with a society which had undergone *Verbürgerlichung* (the process of becoming bourgeois-minded) in the period of stabilization. And in spite of all its penetration by revolutionary doctrine, National Socialism itself became to a considerable extent bourgeois-minded.

The divided nature of National Socialism now that it is victorious, which renders so difficult an accurate interpretation of its future, rests in no small measure upon the mixture of social types which compose it, rooted as they are in different generations and in different experiences. This fact also gives a peculiar stamp to its foreign policy, itself a mixture of warlike and heroic attitudes and a striving for burgher security.

The widespread consternation abroad which followed the National Socialist seizure of power in Germany was quite similar to the general suspicion in which Russia and Italy were held for many years after the bolshevist and fascist revolutions. Different principles of foreign policy seemed to confront one another. Real coöperation with foreign powers was impossible because the approach to international problems was fundamentally different on each side. The world of the burgher, which evidently also included large masses of the skilled workers, was confronted by a new revolutionary world which doubted all its values. An entirely new idea of foreign policy seemed to prevail.

In the burgher's world a fixed system of security, a comprehensive organization and the legal regulation of contracts guaranteed property and stability. French post-war foreign policy was based upon such principles and determined to a large extent the whole European post-war diplomacy. The idea of the League was also to some degree based upon these principles, although overshadowed by the fact that the French system of security practically meant a guarantee for the Treaty of Versailles.

In a modern realistic view, Geneva may be defined as the chessboard on which the great game of world diplomacy is being played. For many of the League's champions, however, it means much more than that. For them, behind this institution stands the middle class idea. The world parliament took over into the sphere of international relations the internal methods and institutions of parliamentarism, the basis of which was reliance upon discussion and negotiation instead of force and violence to settle group conflicts. Discussions and publicity and their result — generally recognized laws — were the fundamentals of the parliamentary state. It grew up during the period of enlightenment. There existed only one ideal state, just as there was only one way of arriving at truth, that is, by reason, which was the yardstick for every deed and attitude. This epoch of rationalism coincided with the awakening of the modern European middle

class and gave clear philosophical expression to its ideals and aims in all spheres of life. Just as in economics, according to the classical theory, competition between supply and demand finally created the "just price," automatically restoring the general harmony of the community by the peaceful struggle of private interests, so in politics the open fight in parliament — the political market place — brought together the competitors in politics, the political parties. The "just price" in their case is composed of recognized, reasonable and calculable laws.

From this point of view the League of Nations is a recent transfer of the general ideals of the middle class into international relations. But it was organized just at the time when their fundamental belief in a universally valid truth was being shattered by the World War and the post-war difficulties. It was organized when the foundations of the European middle class had been shaken to the bottom.

It was the attempt of the champions of the League of Nations to restore confidence in the ideals of security and order. Post-war statesmen like Briand, Chamberlain, Stresemann and Herriot fought for the ideal of the burgher's foreign policy. In their hands, however, it lost its characteristic stiffness and narrowness because of the cosmopolitan ideals which they had drawn from their common European culture. Their type was the result of a long process of development; in them the burgher politician had taken on the outlook and manners of the aristocrat who had been the representative politician in pre-burgher times and who had not completely disappeared. To this aristocrat, whose habits of thought the bourgeois inherited, foreign policy meant a sphere of close relationships and personal encounters. He did not regard the representatives of other peoples as essentially strange personalities. He considered the foreigner as a relative, as to a certain degree a part of the entity to which he himself belonged. By its intimate relationships as well as by its marriages aristocracy leaps over national boundaries. No wonder that it plays an influential rôle at Geneva. Count Bernstorff and Lord Cecil are among the several striking examples of this type.

In the upper-middle-class, too, there took root something of this universalism of the aristocracy, although in this case foreign countries were regarded less as part of a common whole and more as a new sphere of economic expansion and exploitation. Nevertheless, there was a basis of approach between the old aristocracy

and the new upper-middle-class, in their way of life and in their attitude towards external affairs. The basis was thus provided for a social assimilation, for the process of feudalization in Germany in the Bismarckian era just as for the development of the gentry ideal in the Victorian age. Finally, far-reaching religious bonds also created some international connections.

The real enemy of both middle-class security and the cosmopolitan system is a revolutionary foreign policy represented in European history by the Jacobin. For him international policy does not mean fixed boundaries or a discussion between the members of an international community. For him foreign countries offer the battlefield, to be overcome by his ideas and conquered by his warriors. In his psychology, military and revolutionary ideas are often closely connected. "Ideas have no boundaries." The burgher fears the Jacobin just because of his missionary power, because of his immeasurable dynamics, because of the unrest he brings into a secure and clearly circumscribed world. Every revolution which claims to be more than a mere change of governments and which pretends to create a new social order must also influence neighboring countries and awaken in them a spirit of deep unrest. This is the more true if the revolution embodies political ideas which touch upon foreign affairs. For then, finding natural confederates abroad — perhaps a movement of social internationalism or a movement to further some pan-nationalist idea — the revolution sets to work to bore from within by propaganda and by inciting to civil war. Nowadays this is a very efficacious method of expansion, and at the same time a substitute for military invasion. The readiness of a revolutionary country to abandon it is a visible sign that it is turning back to a burgher policy and that it is paying the price claimed for its re-admission to the family of nations.

At first every revolution means a break with the common order of the family of nations, and a danger to it. Usually it starts with the suspension of international payments. The extraordinary importance of economics in modern international affairs makes the attitude of a revolutionary country towards the debt question the touchstone of political orientation. Often it is the banking and business community which decides the foreign policy of the government. The world's reception of the Third Reich is an illuminating example. The degree of Germany's readiness to pay or not to pay was one of the main factors deciding her prestige.

The moratorium of June 1934 made a deeper impression abroad than the withdrawal from the League in October 1933.

Nevertheless the causes of tension are more deeply rooted than what has just been said would indicate. The economic is only a part — though a very important part — of a nation's general attitude. Economic unrest is heightened so long as the inner forces of the revolutionary state remain uncertain and hence so long as the tendencies of its foreign policy are not clear. Even a leader's true wish for peace may be weakened by the inner dynamics, the revolutionary driving power, of his movement. Sometimes his revolutionary speeches which so alarm the world are only meant for home consumption. In those cases they are evidence of inner tension and represent an attempt to divert attention from domestic to foreign problems. Modern European history gives us many examples of such a relationship between internal difficulties and adventures in the foreign field.

The acute need of a dictatorship based upon "plebiscites" and popular acclaim to show successes in foreign affairs is illustrated by the policy and destiny of Napoleon III. Bismarck, his greater and more successful opponent, seems to have been right when he said: "With foreign political successes you can win over your internal opponents. Give the people glory in foreign politics and they will be ready to renounce domestic rights."

This connection between foreign affairs and internal politics is especially revealed in the so-called "totalitarian state." Its claim to totality in inner politics is generally based on a real or presumed danger from abroad. In wartime all opposition and discussion must cease; personal liberty no longer exists. The best argument for this sort of suppression is the country's peril. War is a dictatorship's beginning, its demand, its test. Therefore it centers its propaganda on building up the fighting spirit. The younger generation especially may not take the propaganda platonically, but literally. It may prefer the dangers and the power of a soldier's life to the security of the burgher's.

It is, finally, the missionary idea of every revolution, its internationalism, which stirs its neighbors. As long as there is no proof that the revolution will stop at its own boundaries, it is suspected of endangering the peace of an ordered world. Fascist Italy has gone through a period of world suspicion. Soviet Russia's foreign affairs have been even more marked by the tension arising out of such suspicion. Its recent approach to the states of Western Eu-

rope is based upon its definite adoption of an outspoken burgher policy in international relations. Litvinov's system of pacts is in one line with French policy. The Soviet Union is no longer outside the League of Nations. This change was preceded by a long inner struggle, part of the historical fight between Trotsky and Stalin. It may be that internal considerations dictated the cessation of the foreign revolutionary activity of the Third International and its diversion into efforts to make a success of repeated five-year plans. But it was more than the renunciation of aggressive policy which calmed the European Powers; it was the Soviet Union's adoption of a European policy of security through mutual pacts. Security against foreign interference had indeed become a prerequisite for the development of Soviet Russia's own internal plans. Thus she seems to have become a strong ally in the fight for the European *status quo* and against every revolutionary peril which might endanger her own internal development. It may be only tactics; if so, these tactics are very efficacious in the present European situation.

In its fear of a new revolutionary power, Europe makes its peace with the old revolutionary who offers at least a truce. Here is the explanation of the radical change in European politics since the rise of the Third Reich. In the end, Germany, too, may tend towards the same burgher policy as the other countries. But the mere possibility that Germany is leaving the common line of European policy threatens European security. By her geographical position Germany is the "heart of Europe." The effort of the European Powers, led by France, is to forestall the revolutionary peril by binding it by obligations and treaties and security pacts. But the real desire for security is not satisfied so long as there is no trust in the fidelity of those who pledge their faith. Trust presumes a common world in which all are partners. Doubt is sufficient to make every treaty ineffectual.

We cannot yet decide where Germany really stands in the struggle to determine Europe's future. Yet the deep causes of the violent tension pervading Europe become clearer when we consider the struggle over social principle which underlies the day-by-day development of German foreign policy. Germany has become the battlefield of the European burgher. The fight is not yet ended. Foreign affairs — seemingly on the periphery of these social developments — not merely reflect the course of this struggle but become in the end the historical test of the burgher order.

THE ENEMIES OF DEMOCRACY IN FRANCE

By *Julien Benda*

"The report that a dictator had been elected was painful to all honest men." — *Cicero*,
"Ad Quintum fratrem," III, 8, 4.

FRENCH democracy has two sets of adversaries today:
enemies of the Right and enemies of the Left.

I. THE ENEMIES OF THE RIGHT

Taken by themselves, the enemies of the Right are not very dangerous. They comprise: 1. Members of the old privileged classes who are full of bitterness at a régime that has stripped them of their privileges (the old monarchy itself began the business, but that fact they have forgotten). 2. People of clerical affiliations who cannot forgive democracy for denying to the ecclesiastical authorities any part in the government of the nation (the old monarchy did the very same thing in practice, but never as a matter of principle). 3. The wealthy business class, the upper bourgeoisie, which views the democratic system as a door opened to the proletariat for some day relieving it of its property. 4. Intellectuals and writers in the pay of the wealthy bourgeoisie, who moreover are offended in their aesthetic sensibilities by the spectacle of a society lacking in hierarchical order, without a trace of that subjection of the part to the whole which to an artist is so large a part of the beauty of a Gothic cathedral. 5. Snobs — people who are naturally full of contempt for an equalitarian system and who imagine that by giving expression to such contempt they somehow or other acquire recognition of their superiority; opposition of this type is characteristic more especially of women.

One individual may of course belong to several of these categories. For example, a nobleman who hates democracy for taking away the privileges that went with his title, may also fear it in his rôle as an uneasy property holder. A business man who hates it as a capitalist may also despise it through snobbery. A writer who is reactionary for reasons of aesthetics may also be reactionary out of snobbery and because he is a capitalist in a small way.

The anti-democratic opposition of the Right is embodied in a doctrine: the doctrine of the *Action Française*. It consists of four

planks. They are: 1. the reëstablishment of absolute monarchy; 2. the reëstablishment of a preponderant Catholicism; 3. the restoration of political inequalities of classes; 4. the restoration of the old heredity laws.

This platform is altogether satisfactory to four of the five groups I have mentioned; it satisfies the old privileged classes, the clericals, the writers, the snobs. But it does not win the adhesion of the other remaining group, the group that politically is the most important. The wealthy bourgeoisie is perfectly willing to slow up the march of democracy, but it wants to do so for its own profit and not for the benefit of the old feudal nobles, as would be the case if it accepted the reëstablishment of political inequalities among classes and the old laws of heredity. We have here a mistrust that is a matter of tradition with our bourgeoisie: one has only to recall its bitter resistance to the revival of primogeniture under the Restoration.

This stubbornness of the bourgeoisie explains a situation which must seem paradoxical to foreigners, namely that while France is apparently so eager for a strong régime, the Royalist Party should have so little chance of success. There is also another reason. The people of France remain almost totally indifferent to the Royalist Party because its platform contains no reference to economic reforms. The French working man has no interest in a party that has nothing to say to him on the social question, except that in the society which it proposes to found there must be some who command and others who obey and that he is forever destined to be barred from the former group. The dogma of a "king who will be the father of all his subjects" and "an impartial arbiter in conflicts between labor and capital" also fails to catch the ear of the shop-worker. The same fate befalls Maurras's slogan ¹ that "the soundest guaranties of all the rights of the lowly are inseparably bound up with the advantage and prosperity of the strong."

In a word, the Right opposition can count only on the *salons*, that is "society," ² and on literary circles. By itself it is not dangerous to democracy. It becomes dangerous only through a possible combination with another opposition.

¹ "Dilemme de Marc Sangnier," p. xiv.

² Some may say that "society" means the bourgeoisie. This is true to the extent that the Right opposition can count on the bourgeoisie as a matter of snobbery, but it is not true as a matter of politics. Society, in other words, has the women of the bourgeoisie, not their husbands. It is within that class that "votes for women" might spell a danger to democracy.

II. THE REAL ENEMY OF DEMOCRACY: FASCISM. HOW IT IS OF THE LEFT

Let us now speak of an enemy that is really dangerous to democracy and that stands not to the Right but — at least as it claims — to the Left.

Fascism claims to be of the Left. It challenges democracy, not as the Right does in the name of the past, in the name of tradition, but because, on the contrary, it claims from the standpoint of historical progress to surpass democracy by overstepping it, by making of it an outworn instrument fit only for a place in a museum. It pretends to be replacing democracy much as the railroad replaced the stage-coach, the electric lamp the tallow candle.

Let us note at once that the claim that Fascism is basically a democratic movement is not entirely unfounded. Certain essential gains that democracy has wrested from the monarchical systems of old are not called into question by Fascism — notably secularism, equality, the suppression of privileges and of primogeniture, opportunity for the humble to reach the highest stations in life. This should enable us, incidentally, to measure the bad faith, or else the stupidity, of royalists (especially in France) in representing Fascism, and Italian Fascism in particular, as a triumph for their doctrines.

Suppose we linger on the point for a moment, if only to introduce into our stern meditations a slight touch of gaiety.

III. FASCISM AND MONARCHY

One of the favorite tenets of the *Action Française* is that the Fascist movement is basically royalist, that royalty made Fascism possible, that it is royalty which sustains Fascism and which, since it will outlast the régime, will provide for the continuance of Fascism. Unless we have misunderstood M. Maurras, Mussolini is the modern Richelieu of a modern Louis XIII. This is a laughable notion.

In the first place, Italian Fascism was founded by republicans — Mussolini has always been a republican. Before he came to power his platforms and his speeches called bluntly for the overthrow of the monarchy. In the second place, it is inexact to say that, at the critical moment in October 1922, it was the King who called the Duce to power and by that act created Fascism. The

truth is that the Duce's bands had marched on Rome and had entered the city before the King made up his mind and called upon him to form a ministry. Some will say that that was a royal gesture, that by making it the King legalized Fascism, gave it a status as it were. Even admitting that this were so, it remains true that the King did no more than any democratic president does when from a sense of duty to his country he names a premier whom he personally dislikes but whom events have thrust upon him — Poincaré, for example, entrusting the premiership to Clemenceau in 1917. As a matter of fact, the truth was far different. As is well known today, the King of Italy, far from calling on Fascism, had signed the decree that would have established a state of siege and outlawed Fascism; but fearful, undecided, he signed it too late. Not royal will but royal weakness gave Fascism its hold.

So much for the past. For the future, one might imagine that if Mussolini were to die the King might regain his prerogatives. Fascism has provided otherwise. When Mussolini goes, his successor will be appointed not by the King but by the leaders of Fascism sitting in the Grand Council to which the King does not belong and over whose meetings he does not even preside. It is not clear how the King could offer the slightest opposition to the Council's choice. He will merely be called upon once again to accept. Familiar to everyone is the cartoon that depicted the King of Italy fumbling for a pocket-handkerchief that he had lost and murmuring sadly: "Too bad! The only thing I could stick my nose into!" That accurately describes the plight of the King of Italy under a régime which M. Maurras views as the creature of the royal will!

But let us return to serious matters.

IV. THE MAIN FASCIST CRITICISMS OF DEMOCRACY

I have said that there are features of democracy which Fascism accepts. What, then, are the features against which it makes war? They fall into three classes — political, intellectual, moral.

Politically, one of the basic traits of democracy is that, in so far as the requirements of public peace allow, it respects the individual's freedom, leaving him a truly vast domain within which the State refrains from any interference: the education of his children, his religious beliefs, indeed his political attitudes so long as these do not disturb the public peace. Democracy even

allows a man, once he has attended to his civic duties of paying taxes and performing military service, to disinterest himself from public affairs completely. Democracy admits that there are a-political activities — art, science, philosophy; it is even inclined to regard them as of a higher order.

Fascism revolts against such a conception. For Fascism, the individual belongs body and soul to the State. The State has the right and the duty to interfere in all his activities, to control all his reactions and behavior, his private as well as his public life. Everything the individual does, moreover, must directly or indirectly be in the service of the State. Society is no longer made for the individual; the individual is made for society. Society is an army in which there is room for just one thing: obedience. The ideal society is the beehive, where the very desire for individual freedom has become extinct.

Another trait of democracy, still within the political sphere, is its insistence that, through representative assemblies and the right of interpellation, each individual shall be assured of at least indirect participation in the direction of the government. Against this system Fascism cries aloud. In Fascist concept, once the Head of the State has been approved by the vote of the people he owes them no further accounting. His constituents are to follow him blindly forever after. The dictatorship which democratic régimes recognize as an exceptional measure for times of war is the rule for Fascism. Fascism stands for a permanent dictatorship.

In the intellectual sphere, there exists an important democratic trait against which Fascism rebels. Democracy tends to seek its inspiration in abstract, eternal, unchanging principles: Truth, Justice, the Rights of Man. That is a Platonic profession of faith. Fascism makes no effort to conceal its contempt for such bourgeois ideology. It recognizes nothing but "experience," "adaptation to circumstances." Circumstances are no longer to find their guide in the ideal; the ideal is to be supplied by circumstances. Fascism will have nothing that is not "moving," "becoming," "dynamic." That, be it said in passing, is a fundamental repudiation of the Greco-Roman ideal, and a complete triumph of Germanic Hegelianism.

In the moral sphere, finally, Fascism makes a violent assault upon one of the essential attributes of democracy: its love of peace. It may as well be admitted that democracy is not heroic. By this I mean that it will fight when it has to — it has put up a

good fight on more than one occasion — but it does not like fighting. It prefers peace to war. Fascism has only contempt for such prudence. It wants to live “dangerously.” In the same spirit it upbraids democracy for its ambition merely to keep what it has instead of aspiring to growth, expansion, conquest. It glibly proclaims, for example, through the histories of which it approves, that nothing happened in France between 1870 and 1914. And actually, in Fascist eyes, more social justice, better agencies of relief, skilful alliances abroad, amount to just nothing. In a general way, Fascism despises democracy for wanting to be “happy.” What Fascism wants is to be “great.” Its position is accurately defined in a proclamation of Nietzsche in the “Twilight of the Gods:” “Shame on the ignoble happiness that is the dream of grocery clerks, Christians, cows, women, Englishmen and all democrats!”

Some readers may be surprised at not finding on this list of Fascist criticisms of democracy mention of any attack along economic lines. This is because, in France at least, the Fascists seem in attacking the democratic régime to be exploiting a general discontent rather than basing themselves on any particular economic doctrine. I will return to this question later on.

V. FASCISM IN THE FRENCH NATION

What have the attacks on democracy achieved? What tendencies toward insurrection have they aroused in the French masses?

Having in mind the Fascist attack on the unheroic aspects of democracy, we cannot deny that the onslaught has enjoyed a distinct success with the younger generation, as witness the *Solidarité Française*, *Jeunesses Patriotes*, *Croix de Feu* and other young patriotic organizations. The essential prudence of democracy, its lack of reckless daring, the prominence which it accords to maturer minds, to the “graybeards,” have never had much appeal to the youthful imagination, and less than ever since the war. The young people of today are far less cultivated than their elders. They admire only action and feel little respect for a settled life of thought. They thus constitute a ready-made audience for Fascist doctrine. It would be sheer folly to ignore that fact.

The attack on what I have styled the Platonic idealism of democracy is also being taken up in France in so-called intellectual circles. That is due in large part to the shocking lowering of

the standards of classical studies noticeable in France for the last twenty years. There is a whole section of so-called intellectual France that accepts the position that Barrès took during the Dreyfus affair, when he declared that people who talk of an immutable justice, unvarying truth, are eternal schoolboys, that any "self-respecting man knows that the most one can do is to determine whether such and such a relationship is just at a given moment under specified conditions" — in other words, that "eternal" moral principles are just playthings for children, that only contingent moralities are possible. Fascism is benefiting by the triumph of the German doctrine of political pragmatism.³ There is no doubt that such doctrines have conquered one large group of French intellectuals.

When, finally, I turn to the purely political attitude of Fascism I have to confess that its resolve to suppress individual freedom, to feed the individual body and spirit to a Moloch-State, is also arousing enthusiasm in a whole section of the rising generation, that is to say, among young mystics whose ardor for self-sacrifice is just one form of their contempt for the intellectual life and of their mad craving for action. Yet I hasten to add that, aside from these youthful mystics, the idea of surrendering individual freedom has little attraction for Frenchmen in the mass. They remain incurable individualists.

As for the second article of Fascist political faith, the suppression of the parliamentary system and the establishment of an uncontrolled power, the idea seems to appeal to a far greater number of Frenchmen than one might have supposed. It is as though, the honeymoon of popular government being over, the French had grown indifferent to the possession of sovereignty. Is there not something rather flattering to the people at large in the idea of a Head of the State directly elected by them? I might add that two historians of note, M. Charles Seignobos and M. André Siegfried, have voiced their impression that for some time past the French as a people have been cooling in their ardor for popular sovereignty.

Such is the reception given to Fascism by the French nation as a whole. If we reflect that in addition it is finding support in the Right opposition, which is forgetting its many points of divergence from Fascism (secularism, equality, the principle of the plebiscite) in order to center on the one point of coincidence

³ Commonly and very crudely confused with the philosophical pragmatism of William James.

(hostility to the parliamentary system), we are forced to agree that French democracy is faced with a fairly imposing array of enemies.

VI. REFORMS WHICH DEMOCRACY MUST MAKE TO SAVE ITSELF

Will French democracy survive this crisis as it survived the crisis of the Sixteenth of May, of Boulangism, of the Dreyfus affair? To survive, it will have to make certain reforms. It might as well be said at once that this will not prove easy.

First of all must come a reform of an economic order. It seems evident that a system under which food products that sell for a few cents in the country cost city consumers thirty times as much, merely because an army of middlemen must get their profits, is so exasperating that it must be changed. However, though it exasperates many people it satisfies others, particularly, of course, the army of middlemen themselves, often very powerful persons whose support the public authorities rightly or wrongly believe indispensable. For my part, I must add that though I regard a reform of this system as highly desirable I do not regard it as the most essential of the reforms necessary for the rescue of democracy, since the evil involved is based, as all informed persons are aware, on something quite other than democracy. The French public seems to have grasped the fact that the power that accrues to the middleman, and in general the bad economic system which they, like other peoples, have to put up with, is a result less of democracy than of capitalism as it is at present practised. It is aware that this situation will not be remedied by replacing democracy with Fascism but by effecting a fundamental reorganization of the whole economic system. This is a much more serious matter; and as the French are a conservative nation they are horrified at the risks involved. Nevertheless, some semblance at least of a modification of the existing economic evils seems to be absolutely required if democracy is not to become the target of the people's rage, however innocent it might be in literal fact.

More closely bound up with the preservation of democracy is a reform of the political system, a strengthening of the executive power (as President Doumergue actually proposed), or at least a lessening of the intrusion of the legislative into the realm of the executive, the abolition of meddling by the deputies with the bureaus of public administration. It is clear that in this instance

the mechanism of democracy has been seriously distorted. As M. Seignobos has shown in his "History of Contemporary Europe," the founders of the Third Republic deliberately gave the deputies the right to interfere in the administration because they felt that, even in a republic, governmental ministries must as a matter of principle be organized hierarchically and soon become as independent of public opinion as ever they were under the old monarchies. Their idea, therefore, was to bring the government bureaus under the surveillance of Parliament, thus protecting the people through its chosen representatives from those abuses of power which are always so tempting to bureaucracies. From that standpoint, the power given to the deputies was conceived of as a defense of the governed against their governors. But the way things have worked out, the prerogatives of the deputies have become mere tools of attack. The deputies do not defend their constituents from arbitrary acts by the ministries. They organize them for raids upon the ministries in the quest for jobs and favors. There must be a change in this system, for under it no semblance of efficient government can be maintained.

Here again reform will not be an easy matter. Those who are benefiting by the evil will fight to preserve it. The situation tempts one to think back to 1787 when the nobility of the *ancien régime* who were profiting by the evils of the system then prevailing rose in all their might against the reforms which the King was himself quite ready to make, and so placed the monarchy in a position where it simply could not govern (for that reason it is the fashion now in France to say that the Revolution began not in 1789, but in 1787). Also serious is the fact that the beneficiaries of the present system are not just the deputies, but the voters who elect them and who have learned to depend on them for influence with the administrative departments of the government. Reform here is not going to be easy.

I believe, finally, that our democracy must formulate, and in unmistakable terms, certain qualifications of its liberalism. It must tell the schoolteacher that he is not "free," outside the classroom, to work against the nation. It must tell employees of the government that they are not "free" to go on strike whenever they please and thus to halt all the activities of the State. It must tell the press that it is not "free" to publish slanders against public officials and to incite its readers to assassinate them — as certain papers of the Right have been known to do. Any such reform

will encounter stiff resistance. From its very inception, democracy, unlike other forms of government, has made the mistake of posing as a sort of heavenly entity that can afford to give full liberty of action to its enemies, with the result that whenever democracy makes the slightest gesture of self-defense, all those working for its downfall raise a hue and cry — with many democrats joining in! Clearly, democracy at present believes in proceeding with extreme caution in curtailing the liberties of its employees, even when these liberties appear quite incompatible with the maintenance of a strong and efficient State. It is just as clear that this tolerance must cease if democracy is not to be disavowed by those who think that it should be a system of government and not just a philosophical attitude.

VII. BUT REFORMS WILL NOT DISARM THE ENEMY

Democracy, to my mind, will be in a serious situation if it fails to make these reforms, and others of a more technical character.

Yet it is only fair to say that there are no reforms conceivable which would win over its enemies in France. There is one thing that people abroad, and especially in England and the United States, have always found hard to grasp: the fact that in France the democratic system, however wisely, however fruitfully it might be administered, would never be accepted by the French nation as a whole the way it was accepted in Switzerland, Great Britain or the United States. A taint of Cæsarism affects one whole section of the French people — a certain organic hostility to democracy which will yield to no proofs however convincing. Spinoza says somewhere that we do not hate a thing because we deem it evil, but that we deem it evil because we hate it. That is the position of many Frenchmen toward democracy. In view of the existence of such Frenchmen, France may be said to live in a state of perpetual civil war. This is for many foreigners one of the charms of French life. But it is the sort of charm which one prefers to enjoy in someone else's country.

VIII. DEMOCRACY MAY SURVIVE EVEN WITHOUT REFORM

Now I am going to surprise, perhaps scandalize, my readers. A really disinterested observer viewing the French situation seems to me entitled to ask whether, if our democracy fails to carry out these reforms, or perhaps only plays at doing so, it is inevitable that democracy should disappear from the scene. Even hating

and despising it, would not the French continue to cling to it? I do not discount that possibility, unæsthetic as it may seem to be, for the following reasons:

1. The opposition parties lack real determination and decision. It is no longer a secret that on the morning of February 7 the French Government was completely disorganized, and that the rioters of the previous day could have seized power had they chosen to do so. They did not even make the attempt. Very apt in this instance is the quotation: "You are clever enough to win, O Hannibal, but not clever enough to use your victories." I have been struck since that time by the number of uprisings noisily advertised and (those of July 8 and October 12, for instance) then postponed "in order to live up to the party truce." I see everywhere bill-boards and lamp-posts covered with posters full of bloodcurdling threats; but I cannot feel that posters will overthrow a government. Somehow I have the impression that the opposition parties are afraid of a victory.

2. The opposition have no men. When Mussolini and Hitler came to power they had been recognized as potential dictators by huge numbers of citizens for months and years. Dictators cannot be produced to order in a few weeks' time.

3. The French are not anxious just now to embark on a great adventure. They, who have taught other peoples to make revolutions, have grown chary of such diversions themselves. Nor are the Fascist examples very encouraging. If the dictatorships across the Rhine and across the Alps had solved the unemployment question, restored international trade, abolished poverty, relieved the plain man's worry as to where his next meal is coming from, the plight of French democracy might be desperate indeed. But nothing of the sort has happened. When one suggests Fascism to the French, many of them think: "Suppose we were to swap a one-eyed horse for a blind one?" There are many homes in which a man sticks to a wife he does not greatly love because he wonders whether he would not be worse off without her; and so they live on to the end of their days, grumbling and quarreling, but still together. So, perhaps, France and democracy.

THE PERSIAN REGENESIS

KEY TO POLITICS IN THE MIDDLE EAST

By Bruce Hopper

IS A bloc of Middle East states now in process of being forged out of hitherto incompatible elements? Such a regional unit would correspond roughly to the mythical state which Captain Mahan in 1900 predicted might arise in lands astride the communications from Europe to the farther Orient. The possibility seemed remote so long as Islam was the only cement uniting the peoples involved. But in the last decade the replacement of Islam by the spirit of regional brotherhood, based on new and vigorous nationalisms, gives historical conjectures a fresh undertone of probability. The speed with which Afghanistan recently joined Turkey and Soviet Russia in following Persia into the League of Nations is but one indication of the intense desire to put into practice the coöperation called for in the closely-knit treaty system of the region. The League itself seems to be drifting toward an international balance of power, based on regional state-groups. If that is so, it is not unlikely that such a bloc of Middle East states would use Geneva as a first line of defense against a resumption of the old processes of Western encroachment.

Of the three states involved, Persia had sunk the lowest in comparison with its former power and prestige, and has made the most unexpected comeback. And though it is less modernized than Turkey, it is the strategic center and holds the key to the regional politics. Like the fabled Phoenix of her deserts, Persia has known death but never actual extinction in three thousand years of history. After each epoch of disaster she has risen from her own ashes. What is most striking in her rebirth in the last decade is not the new formula by which it has been achieved but the suddenness with which it has occurred, the rapidity with which the process of slow atrophy has been reversed.

A century ago Persia enjoyed a sort of self-sufficiency, producing her own food, satisfied with her artistic handicraft wares. Her folly in attempting to regain Georgia from Russia resulted in the Treaty of Turkomanchai, 1828, which fixed not only the capitulations but also set a 5 percent ad valorem duty as the maximum which she might levy on imports and exports. In virtue of the

"most favored nations" clause, other states imposed the same terms. That put the country, already somewhat decadent, on an economic toboggan. Throughout the nineteenth century machine-made goods from the West streamed into Persia, creating a competition in prices which native artisans could not meet. Nor could they return to farming, as the country already had a surplus of food, unexportable because of the lack of internal transport. The only recourse was to turn from native arts to the production of raw materials for European factories. Here again the cost of caravan transport was a barrier. The result was that, under the weak Kadjar Dynasty, Persia slipped stage by stage into pauperism and political debility. The middle class all but disappeared. At the turn of the century, Persia, with a trade balance usually adverse by 30 percent, was mortgaged to foreign banks. Her agriculture had declined, her handicraft industries diminished, and her population greatly decreased. The revolution of 1906 resulted in a constitution and a popular assembly. But poverty bred corruption. Political leaders took British pounds one day, and Russian rubles the next. The Anglo-Russian Convention, 1907, pointed to an eventual partition of Persia, modelled on that of Poland. What there was of reform never got beyond the first stage, as shown by the indecent haste with which the Tsarist Government forced Morgan Shuster out of the country.

During the World War the Persians were denied the rights of neutrals in international law. For a brief moment the Wilsonian bugle of self-determination aroused their hopes. But the logic of geography, and their own undetermined attitude toward property as an institution, seemed to decree that they were to hold a position of vacuum in the new conflict between two economic systems. In fact, the practical question at the end of the war was not Persian independence, but what nation would be supreme after Persia had been reduced to colonial status — the collectivist, upper grindstone (Soviet Russia, and land power), or the individualist, lower grindstone (Britain, and sea power).

The answer now seems to be: neither. The revival of Anglo-Russian rivalry worked for rather than against the Persian cause of freedom. On July 27, 1918, the Persian Government declared the old unequal treaties null and void. The Bolsheviks renounced not only the treaties, but the debts owed by Persia to the Tsarist Government as well as the Russian privileges accumulated in a century. Britain, meanwhile, with a much larger finan-

cial stake in the country, and fearful of a Bolshevik advance toward India, managed to get Persia's signature in 1919 to a treaty which would have placed the country under the tutelage of London. But the *coup d'état* of February 21, 1921, brought to power a nationalist group which denounced the British treaty. That sounded the first tocsin of modern Persian freedom. Since then Persia has managed to make the British and Russians counter each other, rather than grind down the country between them as formerly. Her subsequent astonishing success in neutralizing the two foreign pressures is credited to the commanding personality of Riza Khan, who rose from a trooper to be Minister of War and Prime Minister. In 1925 he was placed on the throne, as Shah-in-Shah, founding the Pahlevi Dynasty.

Using Turkey as an example, Riza Khan's program has been to achieve national sovereignty at home and recognition of full national independence abroad. He realized that independence, once it had been won, could not be maintained unless Persia put her house in order by adopting Western methods. His program of discipline has undoubtedly revitalized Persia. The danger remains, however, that the Persian abhorrence of foreign tutelage may lead to such costly mistakes in the exercise of the new independence as to jeopardize the program as a whole and thus invite a return of the former conditions.

II. STEPS IN REFORM

The foreign political obstacles removed, Riza Khan's first requirement was to reassert the central authority which had been in abeyance in many districts since about 1850. For this he needed a loyal force to replace the scattered and unreliable military units officered by foreigners. An all-Persian national army was created toward the end of 1921 and placed under the Ministry of War. Assuming personal command of this force, Riza Khan subdued the country by 1925. The Majlis (Parliament) that year decreed the registration of births, marriages and deaths, and at the same time enacted compulsory military service of two years, with exemptions for men with university education. Since then the army has increased to 80,000, officered entirely by Persians of whom one-third have been trained in either France or Germany. There is, in addition, a Security Force of 12,000, known as the *Amnieh*, whose light-blue uniforms brighten the highways they patrol in pairs. Persia also has a small navy in the Persian Gulf,

with officers trained in Italy, and the nucleus of an air force. The defense forces are under the direct supervision of the Shah, free from parliamentary control. The army is extremely popular as a career because of the educational facilities it offers, and because of the prestige and political influence to be acquired through service with the "right arm of the Shah."

Next in order were the judiciary reforms. For 1300 years Persia had the Moslem system of religious and civil laws known as the *Shari'at*, of which the law books were in Arabic. Early in 1927 the new Ministry of Justice dissolved all the old tribunals and began a work leading to the promulgation, in Persian, of new law codes. The Civil Code presumes to give protection to private ownership and contracts; it effects a reconciliation between the Koran and the Code Napoleon without consideration for Marxian concepts.¹ The Penal Code guarantees individual liberties, greatly reducing the influence of Islam on criminal procedure. The Commercial Code is designed to encourage economic development; it establishes compulsory, uniform bookkeeping, and grants juridical personality to companies, etc. These legal innovations prepared the way for the abolition of the capitulations.

In administrative and educational reforms Persia looks to France for guidance. The French centralized control is more suitable than any other to local conditions, and French culture has always appealed to Persians. Great numbers of young Persians, educated at either public or private expense, return every year from France to take part in the work of extending the school system; the number of schools has more than doubled since 1922. Especial emphasis is laid on vocational training, and the linking of military service with the duties of citizenship. As in Soviet Russia, there are numerous night classes designed not only to diminish illiteracy but also to give training for promotion in the government offices. Meanwhile, those pioneers of higher education in Persia, the Stuart Memorial College at Isfahan and the American Mission College at Teheran, continue to turn out Persians trained for the service of their country.

III. STEPS IN ECONOMIC DEVELOPMENT

The long-pull economic problem is to restore and modernize the economic life so violently unbalanced by the inroads of Western goods. Industry is still primitive. The largest enterprise is a

¹ The Shah himself has become the owner of much of the property of dispossessed "rebels."

textile plant in Isfahan which employs 500 persons. The production of rugs, 95 percent of which are exported, has been badly hit by the world depression and by the rise in tariffs, chiefly in the United States, where one-half of Persia's exported rugs formerly found a market. Agriculture is the occupation of 80 percent of the population, including the tribes. According to Sir Arnold Wilson, there is no lack of land; in fact, all over southern Persia, vast expanses of terraced hillsides, now abandoned, point to the earlier existence of a highly skilled population practicing methods of cultivation now unknown. Many areas once dotted with villages are now peopled only by nomadic tribes. About 90 percent of the peasants are tenant farmers, paying two-thirds of the crop to the large landowners. In fact, agrarian relationships have not advanced much beyond feudalism.

Forced to produce easily transportable materials, Persia began about forty years ago to develop poppy culture. By 1926, opium was bringing in 7.5 percent of the public revenue and accounted for 16 percent of exports. In the effort to control opium at the sources, the League of Nations in 1927 sent to Persia a Commission of Inquiry, headed by Frederic A. Delano of Washington, for study on the spot. The Commission reported that for Persia the poppy is an ideal crop, as it is sown in autumn and therefore irrigated when water is plentiful, that it has four times the money yield per acre of wheat, that opium thus can bear the high transport charges, and that as it is almost all exported it carries a disproportionately large load in paying for imports. In recommending that the Persian Government concentrate on building roads, improving agricultural methods, conserving water, reviving dying industries, and resisting the economic pressure of countries already highly industrialized, the Commission suggested that Persia be given three years to make adjustments and find substitutes for the poppy crop, after which it should start reducing the poppy acreage 10 percent per annum. The Persian Government established an Opium Monopoly, making cultivation of the poppy subject to license and special taxation, prohibited the planting of new land, and laid down a program entailing a complete cessation of poppy culture in certain districts. But though land diverted from poppy to other cultures is exempt from taxation for five years, the business of finding substitutes proceeds slowly and cannot gain headway until tariffs elsewhere are lowered on Persian products. Persian exports of

opium continue to decrease, however, and the Assembly of the League expressed its high appreciation of the good will shown by the Persian Government in conforming to its recommendations.

On the financial side the picture is brighter. The financial reorganization begun in 1922 by Dr. Millspaugh, the American adviser,² has been carried through with a determination to meet all expenditures out of ordinary revenues. The 1934 budget shows that 20.4 percent of the revenues come from customs duties, 22.4 percent from the monopolies (sugar, tea, matches, tobacco, opium, cotton, etc.), and 17.6 percent from the concessions. Of the expenditures, 31.4 percent go to national defense and 57.2 percent to the national administration. To balance the budget with ordinary revenues, and at the same time meet the heavy expenses involved in the government's expanding activities, is an achievement of note. Further, after sixty years on a silver standard of currency the Persian Government in 1930 went over to the gold standard with a new unit, the gold rial, equal at par to the pound sterling. To protect its currency the government has kept the royalties from the Anglo-Persian Oil Co. in London.

The most pressing need is to provide modern transport facilities. The normal mode of travel and of moving goods today is by automobile, although camel and donkey caravans still meander alongside new metalled roads. Since 1925 the government has been spending between two and three million dollars a year on highways, the sums in question being derived from road taxes. It is not many years since Persia was obliged to protest to the International Postal Union that the cost of transporting incoming parcels far exceeded the amount the government collected on stamps for the outgoing mail. Investigation revealed that the discrepancy was caused by the large supplies of Bibles mailed to Persia by American and British societies, to be carried by camel-back across the deserts. The highways in Persia still recall the lively scenes of earlier periods in Europe, with the difference that the frequenters of the roadside tea stalls are mostly truck drivers, hauling such things as steel girders 6,500 feet up the mountain ravines to Teheran. The many attempts since 1865 to build railways have generally been defeated by the rivalry of the various foreign groups. The Russians did build a line from their frontier to Tabriz during the World War, and the India system was extended

² Cf. "The Financial Independence of Persia," by Edgar Turlington, *FOREIGN AFFAIRS*, July 1928.

52 miles into Persia. The 1500 kilometer Caspian-Persian Gulf Railroad, now under construction, is the most talked of project in Persia. It is being financed entirely out of Persia's own means, "untainted" by foreign loans or control. The Persian dream is to have a railroad with both termini on Persian soil. That dream is being fulfilled, but only with the sacrifice of the natural terminus at the port of Pahlevi (formerly Enzeli) on the Caspian, as too much under Soviet influence, and of Mohammerah on the Shatt-al-Arab, in the south, the frontier of Iraq. Instead, the termini are Bandar Gaz, on the Caspian, reached through terrific gorges, and Bandar Shapur (formerly Khor Musa), on the Persian Gulf. It is a political and strategic railway, which probably will not pay for itself for many years, but it will greatly aid the policing of the country, and at the same time assure an all-Persian management.

The most significant, historically, of the Shah's new measures was the abolition of the capitulations. After 1921 the foreign Powers began to group themselves into two camps: those whose citizens still enjoyed extraterritoriality, and those whose citizens came under Persian jurisdiction, such as Soviet Russia, Turkey, Afghanistan, and the new states of Europe. The second group chafed under the discrimination. According to a Persian authority, Dr. Matine-Daftary, the Russians in particular sought means to re-enter the capitulatory régime for the sake of facilitating the spread of propaganda. Great Britain, on the other hand, preferring to submit to Persian tribunals rather than accept the alternative of Communist agitation approaching India, placed no obstacles in Persia's way. Again the constellation of external factors favored the Teheran government. After a year of provisional arrangements, the capitulations came to an end on May 10, 1928, marking a diplomatic victory which was celebrated as a national holiday. A whole new series of treaties was then signed with other states, putting Persia on an equal footing with them. Most of the new treaties contain guarantees that foreign citizens shall be exempt from requisitions, expropriations, compulsory labor for the state, and compulsory subscription to loans. The abolition of the capitulations was accompanied by Persia's recovery of customs autonomy, and the negotiation of new commercial treaties. In other words, freedom of economic action was achieved.

The end-link in the chain was the establishment of the Foreign Trade Monopoly by the law of February 25, 1931. This monopoly

allows free exchange within Persia, but establishes quotas for imports. Its purpose is to force a balance between imports and exports by requiring all prospective importers to present a certificate proving prior export of Persian products of the equivalent value in foreign exchange, against which an import license may be issued. The cost of the export certificates raises the price of imported goods, which is borne by all the consumers, thus distributing the burden. It is maintained that the Foreign Trade Monopoly has prevented the flight of silver from the country to cover the adverse balance in trade. On the other hand, the system has several undesirable features. It involves heavier taxation and higher prices, and a marked restriction of the small traders for the benefit of the large merchants who are able to acquire import licenses. Business tends to concentrate in fewer hands. And smuggling is on the increase. The Persians, however, believe that the system gives essential protection during the world crisis.

IV. STEPS IN THE SOCIAL TRANSFORMATION

The most remarkable change of all is in the spirit of the country. Islam had long since ceased to represent enough of a binding force to assure national unity. The awakening of the nationalistic spirit demanded a release from its dead hand. The Shah travelled far and wide, preaching love of country and patriotism. In sending the first large group of students to France in 1928, he said to them: "France is a country where patriotism is very highly honored; you shall learn to follow the example of the French and love your country as much as they love theirs." There is also a movement to standardize Persian dress, to have a national costume, to accentuate the Persian feeling. All Persian citizens wear what is called the "Pahlevi Hat," shaped somewhat like a French military *kepi*, with a visor, issued in black and beige. Western standards of public health are being urged. Women, though still wearing the veil, are to be seen at the many cafés and cinemas. On the other hand, the Shah decreed that Persians should not frequent foreigners, on the grounds that Persia's past misfortunes were due to such contacts. There is an atmosphere of suspicion in Teheran. One by one, and in groups, the foreign experts and advisers have been sloughed off, as elsewhere in the Middle East. The last to go were the Belgian customs officials (June 1934), leaving only a few French technical experts in education and a few Germans in agriculture. Here again appears the danger of

“nationalistic nerves,” for in many cases qualified Persians cannot yet be found to fill the posts vacated by foreigners.

V. STEPS TO IMPROVE FOREIGN RELATIONS

By the foregoing measures Riza Khan reasserted a central authority and broke through the cordon of foreign control. Insurance against a return of the former conditions, however, must depend primarily upon Persia's ability to pit future Russian and British pressures against each other in such a way as to preserve her own integrity as a sovereign neutral zone — a Switzerland of Asia. The constellation of external factors continues at the moment to be favorable to that ambition.

This is especially true as regards the pressure felt closest home, the pressure of Russia. Originally the policy of the Soviets was to assault capitalism in the West by undermining imperialism in the East. While the Bolsheviks had, and have, a sincere sympathy for semi-colonial peoples, their extreme generosity in wiping the slate clean of all past obligations was very much to their own interest. Their policy in regard to nationalities (cultural autonomy within the limits of centralized economic and political control) had as a secondary objective the attraction into the Soviet federation of border peoples who are racially akin to those already in the Union, *e.g.* the Outer Mongolians, the Turks of Sinkiang, etc. The Soviets likewise promoted the formation of a Middle East bloc, and organized the treaties of friendship signed in Moscow in 1921 between Soviet Russia, Persia, Turkey, and Afghanistan. When these treaties were strengthened in 1925-1928 the initiative was taken by the Islamic states themselves, indicating their feeling of greater independence as Western aggression declined. Also, there was the fact that the Bolsheviks had managed to lose economically the prestige they had gained politically as champions of the semi-colonial peoples. For, though theoretically especially lenient in dealing with non-industrialized Eastern states, the Soviet Foreign Trade Monopoly has aroused constant protests from Oriental merchants. Even in 1934 Persian traders have kept up a stream of demands to the Teheran government either to cease dealing with Soviet Russia or to make the Persian monopoly as rigid as the Russian.

Still another factor was the defeat of Trotsky by Stalin, which meant victory for the program of “socialism in one country first” over that of “world revolution.” Since 1927 the Bolsheviks have

marked time politically in the Eastern border states, where in any case the soil is not fertile for the Marxian doctrines. The Stalin policy of "peaceful coexistence and friendly collaboration with capitalist states" has been the focus of Moscow's attention, and was climaxed in September 1934 by the entry of Soviet Russia into the League of Nations. But for all that, the fundamental interest of the Soviets in the East broadens and deepens. Under the second Five Year Plan more than half of the total investments for new construction will be made in regions east of the Urals, to increase the already sizeable industrial plant which eventually must find its market in the rest of Asia. The various Soviet Institutes for Eastern Studies are turning out experts, skilled in languages and crafts, and prepared for work in the border states. But, for the time being, the Bolshevik preoccupation with mending political fences to the West so as to be able to concentrate on contingencies in the Far East, insures Moscow's support for Persian independence.

Britain's policy in Persia has likewise evolved. The "Egyptization" treaty of 1919 was the last of its kind. Curzon's diplomatic battles with the Bolsheviks in 1923, and the breaking off of relations in 1927, centered on the Eastern policies of the two countries. That is now history. What is new is the friendly British attitude toward Persia evidenced in the happy ending of the Anglo-Persian Oil Company's dispute. The new concession, signed in April 1933, extends the lease for 60 years and grants Persia a minimum royalty of £750,000 a year, plus other contributions from the company such as £10,000 yearly to educate Persian nationals for the oil industry. This makes a handsome income. Further, the skillful conciliatory measures introduced by Sir John Cadman, Chairman of the Board, and T. L. Jacks, Resident Director in Teheran, give promise that the last of Britain's great empire-companies will continue its beneficent rôle in modern Persian life. The company is now completing a new refinery at Kermanshah, which will be fed by a pressure pipe line from the Naftkhanal oil field on the Iraq-Persian frontier. Hitherto, oil from Baku has had a virtual monopoly in north Persia because of the cost of motor transport from the refinery at Abadan in the south. The Kermanshah refinery will be able to supply Persian oil to northern Persia at competitive prices. Aside from the dispute as to sovereignty over the Bahrein Islands, British relations with Persia are serene. So, Great Britain also supports Persian

independence and closer coöperation amongst the Middle East states.

One of Persia's most notable triumphs has been to convert her traditional enemy, Turkey, into a staunch friend. After the World War the relations of the two countries were so strained over frontier disputes that they did not sign a treaty of friendship until 1926, following it in 1928 with a protocol for close economic coöperation. With the frontier delimited satisfactorily in 1929, there began an exchange of courtesy visits by high officials of both countries. The last and most spectacular of these was the visit of the Shah of Persia to Ankara and Istanbul in June 1934. The political significance of the visit has not yet been revealed, but it seemed to create a *blutbrudergesellschaft* between the two dictators, united in a common task of keeping foreigners at bay. There was some talk of a railroad to connect Teheran with the Turkish railway system and the Black Sea. A more likely result will be renewed use of the old Trebizond-Tabriz caravan route, recently opened to motor traffic, to give Persia a shorter trade passage to the West. The Shah travelled by this road (foreigners, including the author, were barred by the Turkish Military Staff). Having received the desired recognition for Persia's achievements, the Shah returned to Teheran on July 7 and began immediately to prepare for a return visit from Mustapha Kemal. The Persian capital is now bustling with civic improvement projects — a municipal electric light plant, a university, hotels, hospitals, more schools, etc. — to gladden the eyes of the Ghazi when he views the work of the Shah, like himself the restorer of pride to a whole race. Finally, as a gesture of good will, Persia in September withdrew, in favor of Turkey, her candidacy for the non-permanent seat vacated by China in the Council of the League of Nations.

Afghanistan presents Persia with no problem. The Afghans, formerly included within the Persian Empire, still use the Persian written language and continue in the Persian orbit. The indefiniteness of the frontier caused some friction until 1921. Finally, both sides accepted Turkish arbitration, and a Frontier Delimitation Commission proceeded to the spot in June 1934. The relations of the two states are now extremely close. Afghanistan is, in a sense, a back-mountain lot of Persia. Kabul, but a week from Teheran by automobile, is strongly influenced by the Persian reforms, though changes are taking place there at a less rapid tempo than in the days of Ammanullah.

Lastly, and most troublesome, are Persia's relations with Iraq. The thorniest problem is the boundary. This (delimited at last in 1913 in virtue of the Treaty of Erzerum of 1847) follows not the channel of the Shatt-al-Arab, as would be customary in international law, but the Persian shore. The bulk of the shipping proceeding up the Shatt is bound for Persian river ports, and thus must pass through foreign waters in which the Persian authorities cannot station customs or police patrols. So long as the non-legalistic Turks controlled the Shatt no serious questions arose. But Iraq, the successor state of the region, is as nationalistic as Persia. The question became acute when Riza Khan in 1924 asserted the authority of the central government over the previously autonomous Sheik of Mohammerah. Persia claims that the Majlis never ratified the 1913 Protocol; it evidently was not ratified by Turkey either. In the hope of settling the Shatt question Persia withheld recognition of Iraq until 1929. But the question remains unsolved. In addition, pin-prick disputes constantly arise, such as questions regarding the nationality of persons of Persian origin now on Iraqi soil, the jurisdiction of consuls, matters involving extradition, frontier police, etc. Last spring the question of water rights came to the fore. Iraq is dependent on Persian sources for a certain amount of water. The Persians diverted the Gangir River, and filled in some of the wells which served as conduits, thus causing considerable suffering amongst the Iraqi villages of the Mandali district. The feeling is bitter on both sides, and so far the British have been unable to effect a compromise. Meanwhile, the Shah has made Bandar Shapur the southern terminus of his railway rather than the more favorably located port of Mohammerah. Iraq, in fact, is the sole exception to the picture we have drawn of the general evolution of Persia's foreign relations from a state of semi-hostility to friendship with all neighbors.

Maybe, however, the projected return visit of Mustapha Kemal to the Shah may provide a propitious moment for Turkish mediation between Persia and Iraq, the only remaining step necessary to complete the circle of Middle East solidarity.

VI. PERSIA'S SIGNIFICANCE IN WORLD POLITICS

Supposing that the upward curve which has marked the last decade of Persian history continues, and that the favorable constellation of external factors does not alter, then what? In that

case, the question posed in the first sentence of this article must be answered in the affirmative. For the probability would be that the three Middle East states, having adopted the same pattern of "great-man reform," would tighten their already strong political, economic and cultural ties and proceed to use the platform provided at Geneva to exert influence as an "Asiatic League." In the event of another European war, it is likely that the Middle East bloc would be so solid as to prevent any violation of its regional neutrality and would be able to exercise freedom of choice as to whether or not to keep out of the conflict. On the other hand, should the West be able to avert war and to recover from the economic crisis, there might well ensue, as part of that recovery, another era marked by competitive imperialism with a consequent renewal of the old pressures on Persia.

Consideration of this question invites a glance at geography. The debatable ground of Asia is the belt between the 30th and 40th parallels and including China, Afghanistan, Persia, Turkey, Iraq, Syria, and Palestine. Captain Mahan's dictum that control of this belt is bound to be a strategic issue between the sea power of Britain and the land power of Russia must be modified somewhat in the light of the rise of Japan, and the advance of military aviation. His other dictum, however, still holds: that of this debatable belt, China, primarily because it is a productive and market area, must cede first place in importance to the regions west of the massive mountain center, for it is there that the vital control of communications can be maintained.

No matter what the form of her government, Russia must regard Persia as of the utmost strategic importance, especially in case Japan should succeed in blocking the outlet to the Pacific. As the huge industrial plant of Western Siberia and Turkestan begins to produce a marketable surplus, it is not likely that the products of Asiatic industry will travel back to industrialized Europe. The Caspian is a Russian lake, even though the Bolsheviks returned the port of Pahlevi to Persia. With the expansion of the Central Asian railway net, Russia must attempt to use Persia as a "land Suez" leading to the warm salt waters of the south. Whether she will act with the coöperation of Persia or not depends on unpredictable issues.

Great Britain, also, can never cease to consider the strategic position of Persia. Control of Persia would permit the encirclement of Afghanistan and the protection of the air bases in Iraq,

besides offering a threat to the Russian oil fields at Baku and providing an observation-post toward Russian Turkestan. The British are evidently now engaged in developing an alternative land route to replace the Suez Canal should the latter be destroyed in time of war. The recent transfer of most of the British naval base from Malta to Haifa, the frequent tours of inspection by British officials, the reinforcement of the garrison at Akaba, and the elaboration of railway projects — one down the shore of the Red Sea, the other to tie in with the Baghdad line leading to the Persian Gulf — all indicate new British plans for Western Asia, in which Palestine and Transjordan will serve as centers of defense. In connection with this development of her Middle East defenses, we may note Great Britain's apparent effort to withdraw from the European security system, and to shift attention to a system of world security in which there shall be as few British commitments in Europe as possible.

Whatever the result of these various tendencies, we may predict that because of her strategic position Persia will be required to exercise ceaseless vigilance in order to maintain her independence. The revitalization of Persia's social forces now in progress augurs well, indeed, that such vigilance will be valiantly maintained.

ENGLAND AND AIR POWER

By Air Commodore J. A. Chamier

ENGLAND is the most conservative of nations. This island country will long remain attached to the ships that made her great and kept her safe: indeed, her need for them has not yet passed. To the Englishman sea power is a trusted and tried thing and his understanding of it has been nourished by the constant presentation of the sight of the sea to the eyes of almost the whole people.

It took a world war to bring to England the realization that things were changing. It was with a great shock that she began to see that the navy which she had built up, and in which she took such pride, might not suffice for her security. The invention of the submarine, whose powers and potentialities British thought had been slow to recognize, faced the country with starvation in spite of having a navy supreme upon the surface. Somewhat tardily, a knack of rising to the occasion and the coöperation of the fleet of the United States enabled England to overcome the threat. But the submarine had shaken in other ways the pedestal on which she stood. No longer could she attempt to impose her will upon an enemy by the bombardment or close blockade of his ports and no longer could her ships sail the narrow seas or lie at rest in harbor with any peace of mind. At all times the fleet was nervous and had to take immense precautions against the hidden foe.

But the war brought to Englishmen a still greater awakening when they realized with horror that their land was no longer inviolate. Accustomed for many generations to fight their battles on other people's soil, they awoke with surprise and anger to the sight of bombs falling from the air on their own homes. In this new element of the air progress had been far greater in other lands than in England; at the outbreak of war there was not even a suitable British aero-engine with which to power British planes. But, prepared or not, the country was in the war, and if it was surprised by the fact that mechanized war had started in the air, that form of fighting suited an engineering people well enough. Methodically, and in a short space of time, England built up the world's finest air force and discovered that her people were able pilots, with less élan than the French, but with more stability,

and with more imagination and dash than the average of her German enemies. When the Armistice came in November 1918 there were over 3,000 British aeroplanes in the first line, and, although the French may have exceeded this number by a few dozen, when the quality of the material and the personnel is taken into consideration it is a fair thing to say that the Royal Air Force was second to none.

Perhaps it is natural that the period just after a war should not be a time when great attention is paid to a country's defense forces. Minds turn naturally to reconstruction, and it is held that problems of defense may be left to future consideration. Thus it was that after the Armistice the British Government's main consideration was to demobilize the Royal Air Force, to disband the majority of trained personnel, and to sell off or destroy stocks of aeroplanes and engines. A modest program of 154 squadrons for the post-war Air Force was eventually whittled down to 24, of which 19 were needed for work overseas.

The test of war had shown that the division of British aerial forces into the Royal Naval Air Service and Royal Flying Corps was wasteful from the point of view of technical supply, and an Air Board had been constituted which did much to prevent competition and overlapping. But the divided responsibility for the defense of the country between two fighting services had remained. With stalemate in almost every battle area, the minds of politicians had turned to the possibility of influencing the outcome by action behind the various fronts. It was possible that demonstrations of air force might have a decisive effect, at least on peoples weary of war. However, the generals and admirals who controlled the British air forces then existent could not be expected to see far beyond their own immediate needs. From day to day the air army had been proving itself of greater and greater assistance to them, and they never had at their disposal enough aeroplanes for their new requirements.

So long as air power was only an ancillary to the older services this attitude was natural. But the question was whether it did not have a primary function and, if so, who would study that function? Only a separate service and a separate staff could be expected to give attention to this new problem. And so in spite of the difficulty of changing horses in mid-stream it was wisely decided by the Cabinet that the two separate air armies should disappear and a single Royal Air Force fleet be created. The

change took effect in April 1918. It was never welcomed by the naval and army chiefs; and when time came for reflection after the war they decided that it had not been proved that air power had a separate rôle further than that of a handmaid to the older established fighting forces. Indeed in this they were right: whether under naval, military or air force command the limitations of aerial bombing had not been correctly assessed; there had been too much optimism, too much faith in the amount of damage which aerial bombing could do, too much dispersal of effort. The most ardent advocate of air power could not claim that air intervention had changed in any appreciable manner the course of the struggle; he could only say that if the war had gone on longer it might have been demonstrated that air pressure could have finished it. The British aeroplanes that stood by to bomb Berlin late in the war were never sent and had not been able to show their powers.

Holding, as they did, honest views of this kind, the chiefs of the older services could not be expected to acquiesce in the removal from their own control of a weapon which they felt was a necessity to their operations and whose claimed powers of independent action had been greatly exaggerated. Were the army and navy not to be able to fire long-range guns without the help of another service? Were they to rely on another service for essential reconnaissance? Were they to depend on another service to protect their navies, armies and establishments from attack from the air? And so the "Battle of a Hundred Days" which finished the Great War was succeeded by the "Battle of Whitehall" in which the older services made a powerful and concerted attack to dismember the Cinderella of the party.

Strangely enough, it was these attacks, continued over a period of perhaps ten years, which really made it necessary for succeeding governments to examine the possibilities of air power. Debate is a great stimulus to thought; slowly there began to grow a recognition of the facts of the situation. At present it is confined to a realization of how far this new invention, air power, has compromised the safety of the British islands. Beyond this imagination has hardly ventured. It is not in the British character to jump at conclusions, perhaps even to face events squarely until compelled to do so; but it proved sufficient to recognize that the capital and the country were in danger, and that steps must be taken to meet that danger. And so in 1923 the Government de-

cided that the three squadrons allotted for purposes of home defense must be raised to 52, and a good start was made on that expansion.

It is necessary to add that, eleven years later, ten of the additional squadrons which so long ago appeared to be necessary are still lacking. True, the Air Budget for 1934-1935 made provision for four of these squadrons. But for a long time the country had existed "on the edge of risk." It was not the opposition of the other services nor was it political considerations which had dictated the slowing up of the modest 1923 program; rather it was the combination of the disarmament discussions and the great trade depression which dictated economy.

England meanwhile discovered new uses for her infant air force. It proved itself a humane and effective weapon for the maintenance of order in the wild lands of the Empire frontiers. In Somaliland in 1920 nine aeroplanes in three weeks finished a war which had lasted for twenty years, had cost millions of pounds and thousands of lives and had involved the country in considerable loss of prestige. That first success was strikingly repeated in Iraq. On the wild Indian frontier turbulent tribesmen can be kept in order by the aeroplane, which can overleap natural obstacles and put pressure on the offending tribe without stirring up complications on the way. In Aden and Palestine the R.A.F. is in "military" control; it has also done much to keep order in the Sudan and in the Persian Gulf. All these experiences have been on a small scale, but they have helped to give publicity to the R.A.F. and to strengthen its claim to the status of a primary force.

But the possible value of air forces in dealing with overseas problems to the British Empire is not confined to the wild frontier lands. Outposts such as Hong Kong, valuable as coaling stations or as bases for commercial expansion, were reasonably secure while the neighboring countries were ill-armed and ill-organized. With the spread of industrial civilization and the growth of the power which it gives, such isolated outposts became almost undefendable because of their liability to capture by a *coup de main* — as the capture of Port Arthur by the Japanese bears witness. The problem of the defense of such distant possessions has always been one of time: relief must come from the general strength of the Empire, and the fortress must hold out until such relief arrives. Now an enemy nation is unlikely to risk valuable ships on bombarding a port which can retaliate with shore-based aero-

planes; it is still less likely to attempt a landing outside the range of the fortress guns but within the radius of aeroplane action. And by compelling the attacker to deploy at a great distance valuable time is gained.

Isolated but sparsely-populated Dominions, such as Australia, have another problem. Invasion is unlikely unless and until the defeat of the main British fleet gives the enemy secure overseas lines of communication; the expected attack is confined to damage by raiding ships, surface or submarine. These attacks may take place at five or six widely separated points on a coastline of several thousand miles, but they are unlikely to be tried if aeroplanes can pursue the raider a day's steaming from the shore.

In the defense of Britain proper the airplane must play a vital rôle. There are few rich areas in the world where so large a population is concentrated into so small a space; and this congested island is only separated from the Continent by six minutes of flight.

It was not until 1934 that the educational work of the Air League and the press brought about a full realization of the position. England saw then that the world would have none of its disarmament plans; found itself sixth among the air powers of the world; and discovered that its nearest neighbor — a good friend, indeed, at the time — could outnumber the Royal Air Force by two to one. Here are the comparative strengths of the leading air Powers in first-line aircraft as given officially in the British House of Commons at the end of 1933: United States, 1,800; France, 1,650; Russia, 1,500; Italy, 1,100; Japan, 1,000; Great Britain, 850. No boast of technical excellence, and no realization of the unrivalled training and morale of her personnel, could hide from England the fact that she — the heart of the British Empire — existed "on sufferance."

It may be difficult for American readers to realize the feeling of insecurity engendered by a realization of these facts — an insecurity not new to continental nations, but one to which the people of the British Isles had long been strangers. Let Americans picture a position in which a hostile air force of superior strength might cross their borders in less than ten minutes, and where in an hour many of their chief cities might be severely bombed.

Once awakened, the Englishman understood his situation very well. Unconcerned with the arguments of theorists who debated whether air action would or would not be decisive; unaccustomed

to trust his safety to some easily-broken pact; uncertain that he could rely on international forces to come to his aid, he saw merely that superior foreign air power might make his life unsafe. It might be, as some tried to tell him, that there was no possibility of defense in the air; with the evidence of the defeat of the *Zeppelin* and the *Gotha* in the war, he doubted it. It became quite definitely fixed in his mind that he would have an air force inferior to none which was within striking distance of his shores. Nothing less than parity — a one-power standard — in the air would content him. The Government could take no other view; early in 1934 that was accepted as the national policy; and by midsummer concrete steps had been taken to increase the strength of the R.A.F. by 41 more squadrons. The target is a good one at which to aim, though it must be admitted that it rests on no scientific foundation. Military forces cannot really be the subject of such hit-or-miss calculations: they must be adjusted to a given definite assumption and to the needs of the case. An Empire with many overseas possessions drawing her air power away from the heart may well find herself inferior to an enemy whose interests are concentrated nearer home and possessing numerical equality. It is necessary, therefore, in the present breathing space (which everyone hopes may be prolonged), and while the immediate increase is being built up, to review the position seriously: a definite policy is required.

Of one hundred million pounds spent on British defense forces the navy still takes over sixty millions, the army twenty-five, and the air force some fifteen. Is that a proper division? What is the comparative value of the different services?

The defense problems facing the country are many: chief among them is the question of food supply in war. These islands must be provisioned by sea, and the supply must be protected on the high seas by the only means possible, a superior navy. But it is not on the high seas that the danger is greatest: over 90 percent of all the sinkings of Allied merchant ships in the late war took place within 100 miles of the coast where traffic is densest. The shadow of the aeroplane's wings lies over these narrow waters. Wars may call the British army over the world, and it is the navy's responsibility to escort it to the scene of action. But no navy can guarantee the army safe passage through waters commanded by enemy shore-based aeroplanes: much of the burden must be shouldered by the air force. As science leads to fresh advances in the air, it is

certain that some of the responsibility for defense of transportation on the sea must pass to air power. To some degree, therefore, the duties of the senior service will be transferred to the newest, and compensatory adjustments of expenditure must take place.

On the military side the situation is similar but less acute. Britain maintains an army largely as a garrison for her overseas possessions. Its task grows harder as some of its potential foes improve in education and armament. Reduction of the small British land forces does not appear very likely; it can only be said that the increased aid which the air forces can give will obviate increases in military strength which would otherwise be forced.

Attention may here be drawn to the question of a unified air force as compared with separate naval and military air services. Our problems are plainly not the problems of all countries, but examination of the remarks already made will make it clear that from England's point of view a unified air force is a necessity. Indeed, it is possible to go further and to foresee a time when a unified air force will expand to something even larger. Already there is a growing feeling that a start must be made with an Imperial Air Force. Today the Dominions of their free wish work in close consultation with the British Air Ministry, and adopt types of aeroplanes and engines which in case of war will be uniform with those of the Royal Air Force.

But if England's treatment of military air power has lacked vision, what can be said of her attitude to civil aviation? In 1921, at the time of the Washington Conference, it was predicted by all the experts that civil aeroplanes and military machines would tend to diverge rapidly in type. Hence, civil aeroplanes would become unsuitable for war, except for certain ancillary services such as training, supply, and troop carrying. It is more than doubtful whether that prophecy has been fulfilled. Great Britain has perhaps gone the furthest in developing airway material which is divergent from military types: in the effort to make aviation "fly by itself" attention has been concentrated on the large, economical, and somewhat slow biplane of great carrying power but ill-adapted from its construction to self-defense and, by reason of its lack of speed, incapable of evading attack. It is unnecessary to accuse others who have developed types of outstanding speed and climb — and in this the United States has undoubtedly led the way — of having had at the back of their mind the value of such types as reserves for the fighting forces in

war. They may be credited merely with a most laudable anxiety to exploit the main commercial quality of the aeroplane — outstanding speed. Germany must be understood as an exception to this general statement. Deprived of military types, she has intentionally moulded her civil aeroplanes to have potential war uses. Recent figures suggest that she could put into the air on the outbreak of a war at least 500 effective military machines converted from civil types. The fact remains, however, that whereas in Great Britain the gap between military and civil types has widened, in almost every country in the world it has closed up. Commercial demand for speed and performance may well cause us to retrace our steps, and in so doing create types which may be readily converted to war purposes, if war should unfortunately come.

But it is not from this point of view alone that vision has been lacking in the development of civil aviation. The British Empire's one weakness is that of the distance between its component parts; for with distance different points of view arise, touch and harmony is lost, and the ties which bind the daughters to the mother-country are difficult to maintain. The telegraph and telephone are inadequate to remedy the situation: business requires the exchange of specifications and contracts, and the personal touch is essential both to business and to administration. By modern aeroplanes flying the Great Circle route, Australia is but 54 hours' flying from England — with all allowances, a weekly service is easily obtainable at the present day. Those who have eyes to see must admit that nothing can so help Empire "morale" as speedy and frequent air communication.

Apart from this question of unity of thought, a flourishing civil aviation industry is the foundation of military aviation. It has often been said that the Royal Navy is founded on the mercantile marine; by this is meant that the people are trained to know the sea, and that shipbuilding facilities exist which can be turned to use in war. The statement is even more true of aviation. In peace, the wastage of modern metal-built aeroplanes is comparatively small: in war, the enemy action, the inexperience of hastily-trained pilots, and expansion, all combine to cause far greater losses. It has been estimated on good authority that a country wishing to enter a war with a year's reserve of planes would have to hold nearly six years' peace-time supply. But within that period aeroplanes become obsolete, and with years of peace to look for-

ward to, as we all may hope, many "reserve" aeroplanes would never fly. The only sensible and economical plan is to have small reserves, but large capacity for manufacture in case of war. The situation needs a small military aircraft industry, the best designs jigged and tooled, and a strong civil industry capable of turning to military manufacture when the need arises. Experience of manufacture is essential. In the late war all America's energy and genius for organization were unable to secure output of aeroplanes in less than a year and a half from firms unaccustomed to the work. The civil industry is the foundation of war strength in the air.

Finally, the British Government have so far failed to recognize the importance of strategic air routes. Though air communication can as yet hardly be called general, it has proved its value and is growing rapidly. In a few years air transportation for personnel and mails within the Empire will be commonplace. Yet, as things stand, at a time when rapid transportation became of incalculable value, these air routes would be closed. Empire air routes to the south and east cross several European countries, and in war time the passage of military machines over any neutral country will be forbidden as a breach of neutrality. This was shown in no uncertain way in the late war. An important factor in air power — the possibility of rapid reinforcement — is thus in a great measure denied the Empire. It is not even certain that considerations of neutrality and fear of espionage may not close the air above neutral countries to a combatant's civil aeroplanes: where the neutral country is close to a battle area such action is certain to be taken. A correct appreciation of the value of civil aviation would involve the laying out of Empire air routes across Europe in such a way as to pass over the territory of firm allies or over the sea. It is necessary to develop an "all-red" route at least as an alternative for use in war. With the increasing range of aeroplanes this is becoming more easy of accomplishment. In the past, capture, purchase, or exchange gave England coaling stations on its main sea routes. In the future, British foreign policy ought to be directed to the acquisition by alliance, purchase, or exchange of those refuelling bases which are so essential to the utilization of her air power, and to the maintenance of her civil air transportation in war.

It is a new thing for the British Empire to face up to the possibility of defeat in any war in which its heart is involved: since

Britain established her position on the seas she has never dreamed of such a thing. The shield of the navy has made it possible for her to intervene at will, or to refrain from intervention; to choose the time for entering the war; to organize, in comparative leisure, her man-power or her armaments. It is hard for her to recognize that the position has radically changed, that war may be thrust on her overnight from the air, and that it may be crippling, or, indeed, decisive.

American citizens living in a country where civil aviation far transcends in importance military aviation, who have built up a vast network of air routes equipped with every service necessary for safe air travel by day and night and served by a multitude of magnificent airports, can hardly realize the backwardness of the British Empire in a sphere which may be vital to her very existence. Do they know that Great Britain has less than 50 air liners of any size and those slow of speed; and that only a few of the smallest of "feeder type" machines are flying in her Dominions? Is it conceivable to them that radio beacons and route lighting do not exist on all the length of the Empire airways? Can they imagine an England with a population of forty millions and only eighteen municipal airports? True, the United States is a big country and the British Isles are small and have unstable climatic conditions. But an Empire extending to a quarter of the earth's surface in every continent offers full opportunity for air development.

THE FRENCH PRESS

By Georges Boris

THE French press is being subjected to some sharp criticism both at home and abroad. Abroad the most frequent allegation is that there is no such thing as an independent press in France, that all the French newspapers are tools of the munitions interests. These accusations, however, are merely amplified repercussions of things that are being said in many sections of the French press itself, a fact sufficient to show that neither of the charges can be taken entirely literally. Actually there is no comparison between the situation of newspapers in France and their situation under dictatorships which have deprived the press of every grain of independence. It may be assumed that the steel manufacturers control several French newspapers, and fairly important ones at that. But it would be a great mistake to conclude that they control the French press as a whole.

France has long been and still is a democracy. To educate a free public opinion and to keep it informed presents problems and involves requirements that fascist systems do not have to bother about. By a strange paradox, among the causes contributing to the state of things now being criticized must be reckoned the exceedingly lax laws regulating the French press. There can be no doubt that respect for liberty and independence has led to too great indulgence for license. This has created in France a situation which is very different from anything known in, for example, a democratic country like England. There are other differences as compared with England. Some of these depend on the peculiar economic situation of French newspapers; others depend on the general traits and habits of mind of the French as a people. To grasp the many problems facing the French newspaper owner, one has to understand the conditions under which he must endeavor to subsist.

French public interest has recently been attracted to these matters by incidents arising in the course of the parliamentary investigation of the Stavisky scandal. Certain ministries were shown to have made disbursements to certain newspapers out of their secret funds. A former premier, M. Daladier, was led to explain that but very few newspapers "were able to get along on their normal income from sales, subscriptions and commercial

advertising." That statement provoked widespread comment. Then a few days later a similar confession was made before the same commission by a representative of a political party directly opposite to M. Daladier's. M. Aymard, formerly editor-in-chief of a newspaper of the Right, testified that only a limited number of newspapers could get along on business receipts exclusively, and that the others "could not survive unless they were supported by friends in politics or by large business concerns which consider that the policies of those papers are helpful to their interests and to the public interest as they conceive it." These two statements are enough to suggest the difficulties facing French newspapers in their struggle for material existence, and hence, as a matter of course, for intellectual independence.

In no country, as is well known, can a newspaper make profits or even cover its expenses simply from subscriptions and newsstand sales. In France for the past hundred years the price of a newspaper has been far below the cost of producing it. The prices of the papers have gradually been forced down under pressure of the pitiless competition peculiar to a centralized country where the metropolitan press soon forces the papers in the provinces to meet its standards and adopt its methods.

France has the lowest priced newspapers in the world, leaving aside Belgium and the Balkan countries. They cost on the average 25 centimes, that is to say one and seven-tenths cents per copy. In some countries the average price is two or three times that. Now the French public has grown accustomed to these low prices — that is one of the national traits to which I alluded above. The Frenchman never thinks of associating a newspaper's quality with its price, or at any rate he never considers that it is worthwhile paying more to get a better quality. His economical instincts, very definitely a French trait, have long since persuaded him in the opposite direction. The Frenchman, besides, rarely subscribes to a daily paper, preferring to buy it copy by copy; and, as is well known, newsstand sales are much less profitable than direct subscriptions.

The French newspaper therefore is willy-nilly obliged to look to other sources of income in a proportionately higher percentage. Normally, of course, the main source would be business advertising. But the market for advertising happens to be a very poor one in France. The reason may well be that it has not been as thoroughly explored or as intensively exploited as it has been, for

instance, in the United States. It remains true that the psychology of the French public is not favorable to any great growth in advertising. Certain large elements in the French public take an attitude of instinctive mistrust towards an advertiser. One could mention any number of popular brands that have won their success without spending a penny in advertising, and many concerns would think they were losing caste — in fact, would lose caste — if their names were ever to appear in a newspaper.

Here we meet a real inconsistency in the trends of a public taste that on the one hand insists on a cheap newspaper but on the other refuses to take kindly to advertising.

In the prosperous period after the war the largest newspaper in France did not handle more than fifty million francs' worth of advertising in a year. That would be a sixth or even an eighth of the advertising which would appear in an English newspaper of the same circulation. Since the crash of 1929 there has been a drop of from 30 to 40 percent in the volume of advertising; but it does not seem that there has been any decrease in the disproportion between incomes from advertising in France and in England. One can count on one's fingers the French newspapers that sell as much as ten million francs' worth of advertising space per year.

Suppose we take a newspaper with a circulation of between 80,000 and 100,000, a figure which would class it among the more important papers in France. Its expenses will run at the very least to 6 million francs, and the strictest economy will be required to keep it as low as that. In the most favorable circumstances it cannot expect more than 4 million francs from sales and subscriptions. That leaves 2 millions to be taken care of by advertising. Now a newspaper of that size is far from being able to count on any such advertising revenue as that. *Le Populaire*, the organ of the Socialist Party, happens to be a paper of the kind described. In its accounting for the year 1931 it could not enter as high as half a million francs as having been received from advertising. The situation with papers of smaller circulations would be correspondingly worse.

The fact that the advertising field is so restricted entails a whole series of consequences. In the first place, it tends to lend special importance to concerns and individuals that function as intermediaries in the distribution of advertising contracts. It is a common practice nowadays for a newspaper, in order to "see ahead," in order to make sure of a minimum income, to lease its

space in advance. That arrangement not infrequently means that an influence which amounts almost to control of policy is brought to bear upon the paper.

Furthermore, the advertising business is highly centralized in France, being in the hands of a very few agencies. It would be exaggerating to speak of an advertising monopoly or "trust," but it none the less is true that the great bulk of French advertising is handled by the Havas Agency and its branches, in other words by the same agency that handles the bulk of French news. There are, of course, quite a number of newspapers which, because of the size of their circulation or the quality of their public or their individual prestige or fame, automatically get enough advertising to pay their running expenses. But others have to resort to gifts and subsidies.

If such gifts and subsidies are a matter of public knowledge there can be no objection to them. It is quite the rule, in fact, for political parties and associations to have their newspapers and to meet the deficits which arise. Also above reproach is the newspaper which is paid for by its proprietor; the moral personality, the moral worth, of the paper is then the personality and worth of the individual who controls it. But there are other sorts of subsidies, clandestine ones, awarded for specified purposes by individuals, business concerns, financial syndicates, even ministries of state.

The whole question of governmental subsidies to certain newspapers — the question of "secret funds" — came up rather spectacularly in connection with the recent scandals. It developed that cabinets of all political complexions had, for the purpose of hushing up attacks, been paying very considerable sums to newspapers and newspaper writers, most of them of fairly inconsequential status and certainly of very dubious morality. Everybody had known about this for a long time. Many people feigned indignation and surprise over the "revelations," though they knew the facts all along and were also perfectly well aware of the causes. We shall come to the causes when we describe why certain newspapers are able to practise blackmail with impunity. There has also been some talk of very regrettable cases of newspapers — and not all of them among our worst — that have received clandestine subsidies not from French ministries but from foreign governments. The opening of the imperial Russian archives after the war brought many unsavory documents of the

past to light, and these have figured in the current discussion of corruption in the French press.

The whole question of secret or confidential subsidies is now being raised — the question, to use the French term, of *publicité financière*. This covers not only the amounts a paper receives for financial advertisements, but all the subsidies, payments and allowances that a newspaper may receive without any actual advertisement being inserted. Such payments may be made to finance a campaign of one sort or another, or to purchase silence.

It is in the very nature of the business of banking and financial promotion that the publicity that gets the best results is the kind that does not look like publicity. A news item slipped into a Stock Exchange bulletin is worth more than a full page advertisement. That is why financial publicity tends to take the form of "news," and also why outside interests try to control newspapers by means of that type of publicity.

A number of circumstances have helped develop *publicité financière* in France and to give it a special character. In the first place, compared to what is brought in by commercial advertising the receipts which can be obtained from so-called "financial publicity" are enormous. The editor of a financial paper with a circulation of only 14,000 admitted, at the parliamentary inquiry into the *Oustric* affair in 1931, that he had received 200,000 francs from the *Oustric* for having inserted only sixty-nine lines of advertisement. As justification, he explained that in another case he had been paid as much as 100,000 francs for fifteen lines!

Then again, the nature of the French press law has tended to multiply the sources of what might be called illegitimate income. Our press law goes back to 1881. Its main object at that time was to guarantee the freedom of the press, and it made the most inadequate sort of provision for the punishment of slander. The penalties it inflicts are light; and the rule, as established by juridical precedent, is to allow only very small monetary damages. Only in rare cases, where the proof is admitted, is any distinction made in the punishment on the basis of whether the printed allegation was true or false. That is the rule when a prosecution for slander is begun by a minister of state or a member of parliament; but in such a case jurisdiction lies with the criminal courts (*cours d'assises*), and in those courts there is always the fear that juries will decide in the light of sentiment or political passion.

Thus it is very difficult for the victim of a published slander to get justice, or at any rate adequate justice. And it further follows that the punishments facing a professional slanderer are not dangerous enough to discourage blackmail, and that too often it is much more simple and effective to buy the blackmailer off than to prosecute him. Blackmail, moreover, is the only means of subsistence for any number of small periodicals, usually ones devoted primarily to promotion and finance; while their field of operations is greatly widened by the fact that we have such inadequate laws for the protection of savings. "Blue-sky" enterprises, tolerated by the law because it has no means of dealing with them, fall ready prey to the specialist in blackmail. That is why on so many occasions the original promotion scandal will have a press scandal grafted on to it.

The Stavisky affair has brought home to the public at large the extent to which unscrupulous newspaper editors are able to avail themselves of the "conditional threat," and how, in order to halt the attacks of such men, or to gain their support, ministries both of the Right and the Left have felt it necessary to grant them subsidies from their secret funds. Thus it was revealed in the Stavisky inquiry that a small and very libelous weekly, obviously plying the blackmailing trade, had received as much as 30,000 francs a month from various ministries. The daily paper *La Volonté*, which for some time was owned by Stavisky and which although usually described as a Left paper always supported all administrations indiscriminately, including those of the Right, was shown to have been subsidized up to about half a million francs a year. The editor, Albert Dubarry, a skilful journalist of his kind, appears to have been equally feared by all governments.

In the world of big business an allotment for "financial publicity," which to a large extent corresponds really to a "blackmail allotment," seems to be only too often accepted as a matter of course, as the safest of all kinds of insurance. The statesman or business man finds on the list of papers which he is expected to favor the names of altogether respectable newspapers along with the names of others which are far from clean. He naturally is more or less bewildered, and his confusion seems sometimes to be studiously perpetuated by the advertising agents who make up the lists of beneficiaries, who distribute the funds, who never ask for receipts, and who never give any receipts to the donors.

The status and the influence of these agents make up one particular aspect of the newspaper problem in France. They obviously play a very important rôle as confidential advisers and as go-betweens between the money powers and the press. To the financier they look like magicians endowed with the power to quell storms or rouse them. To the newspaper owner they are dispensers of those golden showers which may be a matter of life or death. The distribution of "financial publicity" is concentrated in a very few hands, and those same hands, in some cases, control commercial advertising as well. The agent therefore is likely to be a man of power, and working through the papers which he has in tow he may be able to exert a very considerable influence on public opinion. He accordingly is feared, "considered," and may even at times be utilized by men in the government.

Fortunately for French democratic institutions, there still are quite a number of papers that can afford to be independent of the system just described. Quite apart from many weeklies and fortnightlies both in Paris and in other parts of the country, and apart also from the newspapers that are supported by the political parties, there are a few dailies that are rich enough and solidly enough established not to find "financial publicity" an indispensable source of income, or at least to be able to pick and choose as to what they will do. In the provinces generally the big newspapers have a somewhat easier time of it because running expenses are lower, because sales can be more easily checked and so yield higher returns, and because local advertising escapes the grasp of monopoly.

Not that the system is not a foe to be feared even by independent organs. A number of papers that have tried to fight it have been crushed in the end or else forced into line. *Le Quotidien* furnishes an example. When it was founded in 1923 as the organ of the Left it announced that it would refuse all subsidies and would fight against corrupting influences in the press. The money for launching the paper had been raised on this program through the sale to the readers themselves of bonds and shares of the publishing company. The paper was greeted with enthusiasm and its success was considerable. About 22 million francs were paid in to it in over 20,000 small subscriptions from all parts of the country. For some time the paper kept to its promises. It gained a very wide circulation and was highly influential at the time of the 1924

elections and during the ministries of the "Cartel." But in 1926 came the revelation, brought about by the revolt of the contributors to *Le Quotidien* themselves, that the paper had received subsidies from the railway and insurance companies, and, generally speaking, from the big financial interests, to persuade it to modify its policy.

However, the system has suffered a number of hard blows recently from Parliament. And that, incidentally, explains the prominence that has been given during the past year to the anti-parliamentary campaign in certain quarters where the system is powerful. Even before the war, the parliamentary commission that investigated the "Panama Affair" and the railroad contracts laid bare a veritable symphony of press publicity that had been worked up by "distributing specialists." The investigation of the *Oustric* affair in 1931 revealed positive data as to just how the blackmail budgets of a number of big banks function and as to the activity of the agents.¹ Now comes the light thrown by the Stavisky affair on blackmailing newspapers and on the subsidies they sometimes get even from official sources, helped by the inadequacy of legal instruments for dealing with them. It has also supplied new data on the activity of the agents and on the off-hand and not very idealistic choices they make of customers.

The parties of the Left and their newspapers have tried to utilize the facts now unearthed to show how unfair the present organization of the French press is to them. It is indeed a fact that if a newspaper could be made to pay merely by being soundly managed and winning a fair number of readers, there soon would be organs enough to represent the various political tendencies in the country on a more or less proportional basis. But if, more often than not, political support or subsidies from big business are essential, then the advantage undoubtedly lies with the parties which are socially and politically conservative, and with their newspapers.

That is the situation in France today. The axis of newspaper opinion undoubtedly lies to the right of public opinion. It may be answered that that is of no great importance since, as experience

¹ At the *Oustric* inquiry in 1931, a former governor of the Bank of France, M. Moreau, made the following statement: "Newspapers — it may be good or bad, but it is rather bad in my opinion — apply to all banks. Newspapers cannot live, without subsidies or without advertisements, from the mere proceeds of their sales. They come therefore to ask for assistance, and this can be given to them in two different ways. Either it is given after each service rendered, or lump sums are paid in from time to time so that little by little certain papers become actually subsidized."

proves, the attitudes taken up by most of the big papers do not seem to exert any appreciable influence on elections. But this is not the whole story. One cannot overlook the influence that the press exercises on political life from day to day, nor, more important still, the power it has in sudden emergencies, when the gravest decisions may depend, not on the outcome of an election, but on an impulse of passion or panic. Another important consideration is that the idea which foreign observers can have regarding the state of French opinion at any given moment is necessarily built upon the attitude of the leading French papers — and that is often very far removed from reality.

In these circumstances the parties of the Left are getting more and more interested in the problem of the press. Last year the League for the Rights of Man, which with its 180,000 members can be taken as the most important of the Left groups, drew up a comprehensive program for press reform. In the minds of its authors the program was designed to strengthen the economic situation of newspapers and make them independent as far as possible of abnormal revenues. It provided for a minimum price for newspapers and for the establishment of national agencies for the distribution of commercial advertising. In order to strike at the so-called "financial publicity" and at secret subsidies, it proposed a series of legal enactments to make slander in the press a crime, to strengthen the protection of savings against fraud, to punish blackmail, and to compel newspapers to publish accounts.

Proposals of this kind naturally arouse stubborn resistance. Their chances of being adopted would be virtually nil in ordinary times. But these are not ordinary times. The attack on the parliamentary régime launched by the Right has been met from the Left by attacks on the press system, and with some success in arousing public interest. If the eagerness for reform which has been manifested in all parts of France is to be satisfied, some steps will probably have to be taken to strengthen the independence and improve the veracity of the information which is the basis of public judgment.

PROBLEMS OF FEDERATION IN AUSTRALIA

By Frank R. Beasley

ON THE first day of the twentieth century the six Australian colonies became united as a federal Commonwealth, under a constitution of their own making but formally enacted by the Parliament of the United Kingdom. The stimulus to closer coöperation was manifold. During the second half of the nineteenth century certain foreign Powers had taken an interest in the islands of the Pacific that was by no means to Australia's liking. France, already established in New Caledonia and suspected of designs upon the New Hebrides, began in 1864 to use the former island as a prison for her *récidivistes*; Australia returned to the path of righteousness in 1867 with the final abandonment of the transportation of convicts as a means of increasing her scanty population, and in her newly acquired respectability resented the existence of a foreign jail so close to her shores. In 1875 the United States and Germany acquired interests in Samoa, and soon afterwards it was rumored that the latter Power was casting covetous eyes on northeast New Guinea. In 1883 Sir Thomas McIlwraith, then Premier of Queensland, sought to forestall German designs by annexing that territory in the name of the Queen; but the English authorities, in repudiating the annexation, plainly intimated that if the Australian colonies desired to extend their territorial limits they must first create a responsible all-Australian government.

But the internal factors were of more importance than the external as an inducement to union. Secondary industries were being established in Australia, the volume of exports and imports was steadily increasing, and the commercial classes began to object to the tariff barriers which most of the colonies were raising against the products of their neighbors. Trade unionism, growing in strength in the closing years of the century, regarded colonial boundaries with indifference and tended itself to seek a national basis. In 1893 Australia had its first taste of genuine depression; public extravagance and private speculation led to a disastrous inflation of land values; the bubble burst, and all but the strongest banks were compelled to close their doors and then to reconstruct at the expense of their shareholders and depositors. The whole of

Australia suffered; but out of that suffering there emerged a realization of Australia's economic unity, and a determination to seek the union in which lies strength.

Constitutional conventions were held intermittently during the last decade of the nineteenth century. It was generally agreed that if federation was to come and to endure, the bad old days of the intercolonial tariff war must be brought to an end. But that would involve the transfer to the new federation of the sole power to levy duties of customs and excise, and this form of indirect taxation was the source from which nearly all the colonies drew the bulk of their public revenues. How was freedom of intercolonial trade to be reconciled with the financial needs of the federating colonies? The latter insisted that even after federation had become an accomplished fact they must still receive a share, and the lion's share at that, of the customs and excise revenue. The first proposal submitted to the constitutional convention was that for all time the federal government should not be allowed to use more than one-quarter of the net revenue from customs and excise duties, the balance to be refunded to the States or used to pay interest on State debts taken over by the Commonwealth.

New South Wales, warned by American experience of the difficulty of securing constitutional revision, was uncompromising in its hostility to a financial *modus vivendi* which looked as though it would be permanent. This had been the first of the Australian colonies to be settled. Comprising a relatively compact territory in the more temperate zone, it had all the advantages of an early start. For a generation it was partially eclipsed by the industrial and mercantile expansion of Victoria, whose progress was stimulated by the gold discoveries of the fifties, but at the end of the century New South Wales was developing more quickly and with greater variety than the remainder of Australia. It was the original home of Australia's greatest asset, the merino sheep, its land and climate were eminently suited for agricultural and pastoral pursuits, it was well endowed with minerals, and by the end of the century it had achieved a reasonably balanced economy.

New South Wales had no vested interest in the maintenance of a protectionist system; but its opposition to the financial clauses of the constitution was not based on the long view that free trade is preferable to tariffs. As the most populous State it would make the largest contribution to the federal revenues, and, fearing a distribution of those revenues on a territorial basis, it had no

intention of becoming a milch cow for its poorer but larger neighbors. It disliked a proposal which would give to the States an opportunity to spend or waste money for the raising of which they incurred no responsibility; it opposed a system which would restrict the future extension of federal activities — no matter how desirable or necessary such an extension might prove to be — by limiting federal revenues. It pointed out very forcibly that if the federal Treasurer should require an additional sum of one million pounds for federal purposes, and should decide that the sum could best be raised by an increase of customs and excise duties, he would be compelled to budget for four millions in order to comply with the constitutional obligation to restore three-quarters of such revenues to the States. Unless these objections were met it seemed useless to proceed with the proposals for federation. Federation without New South Wales would be an absurdity, in the light of that State's wealth, population, and political predominance.

Ultimately a compromise was reached at the suggestion of Sir Edward Braddon, a Tasmanian delegate. The right of the States to share in the customs and excise revenue was to endure for ten years only; thereafter the federal Parliament was to gain full control over those funds, subject only to the duty to restore to the States, on a population basis, its surplus revenues during each financial year — but it was under no duty to budget for a surplus or to limit its expenditure so as to produce one. The exceptional position of Western Australia, a primary-producing State which had been accustomed to raise practically the whole of its public revenues from its tariff, was recognized by a provision which empowered it, for a period of five years, to impose duties on a constantly diminishing scale on goods imported from other parts of the Commonwealth. Subject to these variations, constituting "the Braddon compromise," the draft constitution was now voted on in all the States except Western Australia, which was still dubious of the wisdom of entering any federal scheme.

The constitution, having been approved by the other five States, was sent to England for enactment by the imperial Parliament, which inserted a clause enabling Western Australia to accede thereto with the status and privileges of an original State should it hold a referendum before the Act was proclaimed. Western Australia was in a quandary; it wanted a tariff of its own, but for revenue purposes only — not for protection, because

it had no industries to protect. There were other factors to be considered. A few years previously gold had been discovered in large quantities in the Kalgoorlie district, and the announcement of rich finds had attracted large numbers of speculators and prospectors from the other States. These new arrivals, colloquially described as "tothersiders," greatly outnumbered the locally-born population of the goldfields area; they were strongly in favor of the federal scheme that had been accepted by their relatives and friends in the other States, and openly demanded the severance of the goldfields from Western Australia and their incorporation in the new Commonwealth if Western Australia as a whole failed to come in. The latter, not desiring to run the risk of losing the goldfields, reluctantly made a virtue of necessity and submitted the federal constitution to referendum. In the goldfields, federation was carried by a majority of nearly fifteen to one; in the metropolitan districts, the voting was three to two in favor, in the country areas three to two against. However, the total vote throughout the State revealed a majority of more than two to one in favor of federation, and Western Australia thus became an original State in what the preamble to the Act described as "one indissoluble federal Commonwealth."

Disputes between the members of the federal partnership began towards the close of the ten-year period during which the States received three-quarters of the customs and excise revenue. In 1908 the Commonwealth took upon itself additional financial burdens by passing an Invalid and Old Age Pensions Act. This example of social legislation, which is exceedingly common in Australia, relieved the budgets of those three States which had paid such pensions in the past; but, partly owing to the greater liberality of the federal Act, partly because of its universal application, the net result was to create a charge upon federal funds greater than the collective relief afforded to State finances. The Commonwealth at the same time announced that it did not intend to continue the operation of the Braddon compromise, or as its critics preferred to describe it, the "Braddon blot." Conferences between federal and State ministers were fruitless. The Commonwealth's stand was based on the ground that the customs and excise duties now formed the largest part of its revenues, and that as long as it was under a duty to pay three-quarters of those duties to the States its tariff policy would necessarily vary with the year-to-year fluctuations in its financial

needs. It appreciated the necessities of the States, and was prepared to assist them by taking over a portion or even the whole of their public debts, or alternatively to subsidize them in agreed amounts each year. The States, like *Oliver Twist*, still wanted more. But they were not in a position to hold out, for they were soon to lose the constitutional protection afforded by the Braddon clause, in place of which they could only claim to share in any federal surplus. They would then be completely at the mercy of the Commonwealth, which could stop all State subsidies by the simple expedient of lowering taxation or increasing expenditure so as to ensure that there would be no divisible surplus. But decreased federal taxation meant, primarily, a lowered tariff; the States could not operate in that sphere, and in the meantime Australian manufacturers had enjoyed protection long enough to make them staunch supporters of high tariffs, so that they used their influence against any proposed change that might expose them to keener competition from overseas.

Ultimately it was agreed that the States should abandon their claim to a share in the customs revenue, and should receive in its place an annual subsidy calculated at the rate of 25 s. per head of population; to make their position reasonably secure it was proposed that the new arrangement should be incorporated in the constitution. This involved a constitutional amendment. The new scheme was accordingly submitted to referendum, but was defeated. Nevertheless the Commonwealth proceeded to implement the plan by passing the Surplus Revenue Act; the per capita payments therefore depended upon the good will of future federal parliaments instead of becoming unalterable except by constitutional amendment. The amount payable on the per capita basis was less than three-quarters of the customs and excise revenues; had the States been able to foresee that within the next few years there would be a great increase in those revenues, they might have been far more recalcitrant in their opposition to any change in the basis of distribution. At the same time Western Australia and Tasmania, which had suffered disproportionately from the federal high tariff, were recompensed by the grant of special subsidies for a period of ten years.

Hardly had this readjustment been made than the World War broke out. "Defense" is a matter exclusively within the competence of the Commonwealth, which financed its participation in the war partly out of revenue, but for the most part out of

loans raised in Australia and in England — the bulk of the war indebtedness being incurred at home. Commonwealth expenditure was greatly increased; but the federal government nevertheless continued to make the per capita payments to the States. On many occasions since the war it has endeavored, but without success until recent years, to induce the States voluntarily to accept some new arrangement. It suggested, for example, that the per capita payments should cease, and that in return the Commonwealth should abandon taxation on land and incomes. But the States preferred a system of subsidies that automatically increases with the growth of their population and spares them the unpopularity always caused by heavy direct taxation. In 1927 the federal government cut the Gordian knot by securing the passage of the States Grants Act, which terminated the per capita system and substituted — for one year only — special grants to the States calculated on the old basis, with additional subsidies to Western Australia for five years and to Tasmania for two years. There was no promise to renew the States Grants Act in later years; the States were now in the unenviable position of being compelled to listen favorably to any proposals that the Commonwealth might make as to the future.

In all fairness it must be stated that the federal proposals were equitable and statesmanlike. They were subsequently made the basis of an agreement, and were incorporated in the Financial Agreement Validation Act of 1929, passed after the electors by referendum had approved the insertion in the constitution of a new section enabling the Commonwealth to enter into financial agreements with the States and making any such agreements unalterable except by consent of all the parties thereto. The "financial agreement" which is now in force was in fact signed in December 1927 (before the referendum was held), and subsequently ratified and confirmed. Payment of per capita grants has ceased; to recompense the States, the Commonwealth took over State debts as at July 1, 1927, and undertook to apply to the payment of interest thereon the sum of £7,584,912¹ per annum for 58 years. During the same period the Commonwealth also pays the sum of 2 s. 6 d. percent to a sinking fund, the States contributing 5 s. percent and further indemnifying the Commonwealth against liability to payment of interest in excess of the federal contribu-

¹ The amount which the States would have received in 1928 if the per capita system had been continued.

tion. For the future, all borrowing is to be coördinated, and money raised only by Commonwealth securities issued by authority of the Australian Loan Council; this body consists of one federal representative and one member from each of the six States, but the federal representative has two ordinary votes and a casting vote. A sinking fund is to be established in respect of all new issues authorized by the Loan Council, to which the Commonwealth and the borrowing State contribute 10 s. percent per annum in equal moieties.

No sooner had this agreement been confirmed by all parties than Australia received the full blast of the depression. The overseas loan market abruptly closed, thus depriving the public finances of an increment which for some considerable time had averaged £30,000,000 per annum; and the local investor was chary of assisting governments to add to their internal obligations. The Loan Council was not required to exercise supervision over new external loans, because that source had completely dried up; but it did play an important part in devising, with the coöperation of the Commonwealth Bank and the trading banks, expedients for financing the budget deficits which were clearly inevitable. The "Premiers' Plan," introduced in 1931 for the rehabilitation of Australian finances, contemplated a gradual return to budgetary equilibrium; governmental expenditure was reduced, wherever possible, by an average of 20 percent; and the burden of internal indebtedness was lightened by a conversion loan which though nominally voluntary was virtually an enforced surrender by the bondholder of one-fifth of his interest. One important item, however, could not be affected by the reconstruction plan, namely, Australia's external indebtedness. A portion of the latter debt has since been converted to a lower rate of interest in the London market, thanks to the untiring efforts of Mr. Stanley Bruce; but the burden is still heavy. Interim budget deficits have been financed by bank overdrafts, strictly supervised by the Commonwealth Bank, and by Treasury Bills.

The Premiers' Plan aimed at the rehabilitation of "Australian" finances; it has had the desired effect of stimulating the recovery of budgetary equilibrium in the federal sphere, while State finances, for a variety of reasons, continue to languish. A year after the inauguration of the Plan there was a partial return of confidence; overseas trade began to increase, bringing more grist to the federal mill in the form of customs duties. Federal loans for

the most part had been raised in Australia; the internal conversion loan gave relief to the federal exchequer. On the other hand, most of the State loans were raised abroad, only a fraction has been converted to a lower rate, and the States must also find the exchange on their overseas remittances. Furthermore, the federal government has received another windfall in the form of the temporary remission of interest and sinking fund contributions on the war debt owed to the British Government, a saving of approximately £7,000,000 per annum in Australian currency. In the result, federal finances are in a remarkably healthy condition. This is poor consolation to the States, whose combined deficits for 1932-33 amounted to £8,609,000. State appeals to the federal government for assistance out of the latter's surplus have fallen on deaf ears; Prime Minister Lyons has stated that the policy of his government is to reduce taxation with the object of stimulating trade and industry. It is hoped thus to increase employment and the aggregate income upon which the States can levy taxation, and at the same time relieve State budgets of part of the heavy charges now incurred by them in unemployment relief, for which the States are solely responsible.

The apparent unconcern with which the federal government regards State difficulties has added fuel to the smoldering fire of discontent among the States, and particularly in Western Australia, always an unhappy and uneasy partner in the federal alliance. Western Australia has the largest area and the smallest population of the five mainland States; its chief resources are agriculture and the pastoral industry, together with gold mining, which lay moribund for nearly twenty years and then received a sudden fillip from the high price of gold and the depreciation of the Australian pound. Of secondary industries there are none of any great importance, and the lack of good coal, water power, and minerals other than gold means that for decades Western Australia will be a primary producer and little more. It is a State that must always rely far more upon the energy of man than upon the bounty of nature. Its system of communications is artificial; the monotonous configuration of the country does not lend itself to natural development; its soil is on the whole poorer than that of the other States; the summer rainfall is negligible, and high temperatures make water conservation a difficult problem in the outback areas. Thus geographical isolation and the federal tariff have combined to make Western Australia the

Cinderella of the Australian States, but a Cinderella with little hope or prospect of the arrival of a Prince Charming to rescue her from her humble condition.

One effect of the federal tariff is to increase the farmer's costs. In New South Wales and Victoria its incidence is offset by the opportunity afforded to local manufacturers to monopolize the not inconsiderable home market for secondary products. But in Western Australia there are few secondary industries to benefit; and it is commonly alleged that if industry does seek to establish itself there, it is promptly countered by the machinations of manufacturers in the "eastern" states, who dump their products in Western Australia at prices with which the local industry cannot compete. When the latter has been successfully squeezed out of existence, the price of the "eastern" article soars once again. Communication between the east and west of Australia is infrequent; there is a bi-weekly train service each way by the transcontinental system, which crosses the vast desert of the Nullabor Plain, and a weekly mail and passenger service by air. The federal Navigation Act restricts the coastal trade to Australian vessels by prescribing rates of wages and conditions of employment with which overseas ships find it unprofitable to comply. There is a weekly passenger service and a slightly more frequent cargo service; but Western Australians cannot make use of the overseas liners which constantly call at the main ports. Commissions of inquiry have invariably commented upon the disadvantages put upon Western Australia; the reply of the federal authorities has been to dole out another subsidy which the State regards as hopelessly inadequate.

The upshot has been the growth of a movement aiming at secession from the Commonwealth. Its sponsors, assisted by a section of the less responsible press, became so vociferous as to succeed in inducing an expiring government to make secession a vital issue and to hold a referendum thereon at the State elections early in 1933. The result was in some ways surprising. Secession won the day by a two to one majority. The retiring government, a liberal-agrarian coalition, had hopefully declared itself in favor of secession; but it was defeated at the polls. Its Labor successors, elected to office by a large majority, are in principle opposed to secession and in favor of unification in place of federation. During the campaign the Labor candidates astutely avoided the bait dangled before them by their opponents; they steadily refused to make secession an election issue, advising their supporters to vote

as they thought best. It is possible that a firm stand against secession would have cost the Labor party what was largely a "stunt" election, but would have made the majority for secession much smaller or even have converted it into a minority. Many of the electors openly stated that they intended to vote for secession, not because they wanted or expected to get it, but as an emphatic protest against federal indifference to local disabilities.

After the election, the Labor Premier, Mr. P. Collier, who had previously informed his constituency that he was opposed to secession,² announced that he regarded the result of the referendum as a mandate to seek the release of Western Australia from the federal compact. With that end in view he secured the consent of the legislature to the appointment of a non-parliamentary committee charged with the duty of preparing a statement of the reasons why Western Australia will benefit by becoming a separate "Dominion" under the Crown. The committee, after several months' work, recently produced "The Case for Secession," a voluminous and at times highly controversial document which is a medley of facts, statistics, assertions, and hopes. Shortly before the "Case" appeared, an abortive conference of State and federal ministers had met to consider the readjustment of the financial relations of the parties, and to recommend such constitutional changes as might be thought necessary. The States were not agreed as to what they wanted and how it should be given to them; while the federal government showed a sorry lack of statesmanship by using the dissensions of the States as a pretext for doing nothing.

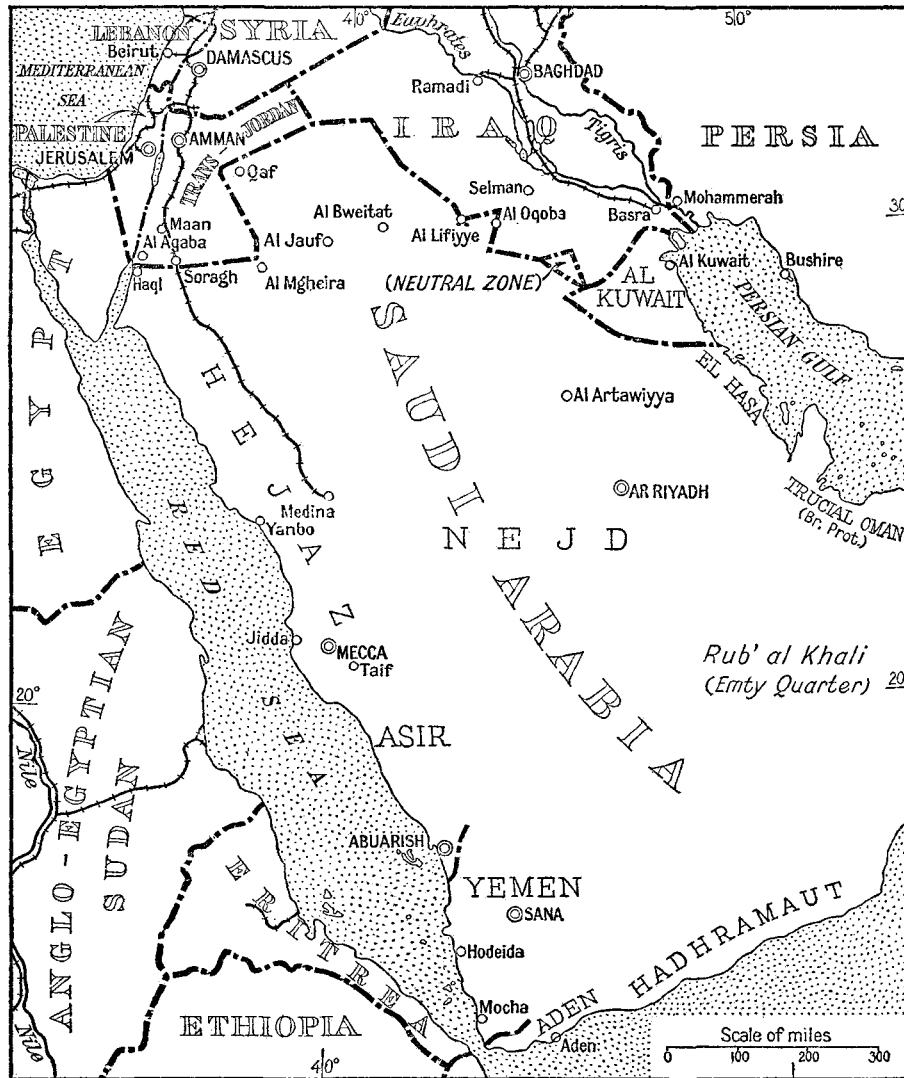
The Parliament of Western Australia now proposes to move further in the matter of secession. It is inconceivable that the electors throughout the Commonwealth would approve a constitutional amendment designed to permit the western State to withdraw. The alternative is to place hope in London. A petition is to be addressed to the King, the House of Lords, and the House of Commons, asking for the introduction of a Bill into the Parliament of the United Kingdom for the purpose of amending the Commonwealth of Australia Constitution Act by omitting all references therein to Western Australia and effecting necessary incidental changes. In vain have constitutional lawyers in England and Australia insisted that the time has gone when the

² Mr. Collier was able to do this with impunity because he represents a mining constituency, and the goldfields are still faithful to federation.

Parliament of the United Kingdom can exercise a benign influence over colonial (or more properly, dominion) affairs. For the Balfour Declaration of 1926 recognized the legislative independence of the dominions, and that declaration was implemented in 1931 by the Statute of Westminster, whereby the Parliament of the United Kingdom expressly renounced the last vestige of its right to legislate for the British self-governing dominions. Secessionists assert that the "mother of Parliaments" has never denied justice to her overseas suppliants, and that the merits of Western Australia's claim for independence are so obvious that London will hasten to do everything that she asks.

Vague predictions are also made of an age of plenty in which Western Australia will grow vast quantities of wheat, wool and other primary products for the English market, when, in return for the concession of a privileged position in that market, Western Australia will grant a substantial preference to English manufactured goods. The low tariff which it is proposed to impose on such imports will enable the farmer to make a profit once more, and at the same time will produce sufficient revenue for the needs of government. If the development of an "independent" Western Australia is bound up with the conclusion of agreements with England for the mutual interchange of primary products and manufactured goods, the future is indeed gloomy. The MacDonald government in Great Britain is not showing the least indication of a desire to encourage the importation of primary products in exchange for trade preferences, and there is no reason to suppose that the near future will bring a reversal of the present policy of stimulating agricultural production in England itself. The autarchy which is so popular throughout the world today is a bad omen for those countries which must rely on a steady growth of the export of their primary products to increase their population and wealth. But if, as the present writer believes, the reply of the British Government to the Western Australian petition will consist of a policy of delay and inactivity, the federal government will none the less find it necessary to show more sympathetic understanding than it has in the past regarding the undoubted disabilities which the isolation and the economic limitations of Western Australia do impose on that State as a member of the federal Commonwealth.

SAUDI ARABIA



Ibn Saud today is overlord of the "Kingdom of Saudi Arabia." Beginning as Sheik of Nejd, in Central Arabia, he before the war had annexed the Turkish province of El Hasa on the Persian Gulf. Subsequently he subdued the Ibn Rashids, in the north of the peninsula, with Haql as their capital. In 1924 he drove King Hussein of the Hejaz into exile, and by 1925 had completed the annexation of the Hejaz lands by taking Medina and Jidda. In 1930 he incorporated into his kingdom the land of Asir, until then a protectorate. He completed the process of establishing his hegemony over the peninsula when he beat the troops of the Imam of Yemen, and in a subsequent treaty (June 1934) established a relationship which practically made the Yemen a protectorate. (For details see "The Unification of Arabia," by Hans Kohn, FOREIGN AFFAIRS, Vol. 13, No. 1.)

THE SOYA BEAN IN INTERNATIONAL TRADE

By George Douglas Gray

THE soya bean has been described as unquestionably the most important food plant in the world. It contains all the elements necessary for a balanced diet. Ground dry, it yields flour from which bread can be made; ground wet and curdled, it forms bean curd which may be substituted for meat; plucked green, it may be used as a vegetable, rich in vitamins; fermented, it yields sauces; pressed, it produces oil for use in cooking. The soya bean also is food for cattle, while the bean cake makes excellent fertilizer. In addition to its food properties, the bean and its by-products have a multitude of industrial uses ranging from an ingredient of paint to a substitute for rubber.

The soya bean is the principal crop in Manchuria. Under Japanese management its culture has been developed and its uses extended. It has had a dominant part in drawing 30,000,000 Chinese to Manchuria, and it has aided them in building there a prosperous community. The profit from its transport and sale has in large measure supported the Japanese adventures on the mainland of Asia. Thus it has been an important factor in determining the policies of Far Eastern countries in the regions where it is grown most successfully.

From the Far East, where it is indigenous, the soya bean has been introduced to other parts of the world and it can be successfully cultivated in many countries. Outside of Asia, the greatest progress in its development has been made in the United States. In Europe it is grown in Hungary and Czechoslovakia, and to some extent in Germany. Table I gives the figures for the principal producing countries.

Japan's predominant influence in Manchuria dates from the end of the Russo-Japanese War of 1905. In those days Manchuria had an unfavorable trade balance. By 1917 it had become favorable, and today this balance is as great as the total of imports into Manchuria. Table II shows the growth of Manchuria's trade and the favorable balance which she has enjoyed in recent years.

The importance of the soya bean in maintaining this favorable trade balance for Manchuria may be seen from Table III, which compares the principal exports by value (in millions of Haikwan taels) and gives the percentage which each represents in the total exports.

Apart from Manchuria, most of the countries which produce soya beans find a market for them at home. An exception is the United States, which in 1932 exported 112,700 tons — a figure roughly equivalent to 5 percent of Manchuria's export in the same year. In recent years something like a fifth of the Manchurian export of beans and about three-fourths of the export of bean oil has gone to Japan; most of the rest has been sent to Europe. Table IV shows where these products have been shipped.

At a time when there is supposed to be an over-production of foodstuffs in many parts of the world, with huge surpluses hanging over the markets and depressing prices, it may be wondered what merit there is in studying the pos-

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I. WORLD SOYA BEAN PRODUCTION

	<i>Acres under Cultivation</i>	<i>Annual Production (in bushels)</i>	<i>Production (per acre)</i>	<i>Percentage of World Production</i>
Manchuria.....	10,184,928	208,298,428	20.4	59.3
China Proper.....	5,635,000	89,340,000	15.8	25.4
Japan.....	913,836	15,238,873	16.6	4.3
Korea.....	1,942,922	20,431,745	10.5	5.8
U. S. A.....	1,373,000	18,146,000	13.2	5.2
Total.....	20,049,686	351,455,046		100.0

II. TRADE OF MANCHURIA

(in millions of Haikwan taels)

<i>Year</i>	<i>Imports</i>	<i>Exports</i>	<i>Total</i>	<i>Balance</i>
1907.....	30.7	22.0	52.7	- 8.6
1917.....	158.6	161.1	319.7	+ 2.5
1927.....	262.3	401.3	663.6	+139.0
1928.....	294.8	428.6	723.5	+133.8
1929.....	322.4	422.8	745.2	+100.4
1930.....	296.6	389.9	686.6	+ 93.3
1931.....	218.9	473.9	692.8	+255.0
1932.....	192.9	384.5	577.4	+191.6

III. EXPORTS OF MANCHURIA¹

(in millions of Haikwan taels)

	<i>Soya Bean Value</i>	<i>Products Percent</i>	<i>Coal Value</i>	<i>Percent</i>	<i>Kaoliang Value</i>	<i>Percent</i>	<i>Millet Value</i>	<i>Percent</i>	<i>Pig Iron Value</i>	<i>Percent</i>
1927.....	219.5	54.5	35.3	8.8	18.9	4.7	32.0	8.0	6.1	1.5
1928.....	245.7	57.2	34.9	8.1	19.2	4.5	23.5	5.5	7.5	1.7
1929.....	255.1	60.6	37.6	8.9	7.7	1.8	16.5	3.9	7.4	1.7
1930.....	206.9	53.2	37.6	9.7	6.4	1.6	24.4	6.3	8.5	2.2
1931.....	274.2	58.2	45.6	9.7	15.3	3.2	10.9	2.3	10.8	2.3
1932.....	234.6	60.8	32.6	8.5	18.2	4.7	15.1	3.9	9.6	2.5

¹ Compiled from "Economic Handbook of the Pacific Area" (Institute of Pacific Relations New York, 1934).

IV. IMPORTS OF SOYA BEAN AND SOYA BEAN OIL

	<i>Soya Beans (in tons) 1930</i>	<i>1932</i>	<i>Soya Bean Oil (in tons) 1930</i>	<i>1932</i>
United Kingdom.....	91,309	158,938	25,249	27,343
United States.....			3,276	180
France.....	547	14,293	11,777	4,208
Holland.....	19,231	41,684	1,099	2,590
Denmark.....	176,264	288,864	1,946	2,257
Germany.....	874,790	1,168,300	12,871	3,739
Italy.....	8,043	21,504	2,849	3,488
Belgium.....			20,549	5,600
Japan.....	511,500	481,600	76,725	72,240

sibility of developing soya bean production. But though there are food surpluses in many countries, a substantial portion of the world's population — and this is particularly true in the Orient — has insufficient to eat. The soya bean may assist in improving this condition, or it may displace other crops which are less valuable. Furthermore, the soya bean is not merely a food product; one might even say, in view of its many industrial uses, that it is not essentially a food product.

Cultivation of the soya bean has proved profitable in the United States. Until quite recently the whole production was absorbed domestically, but recently it has been demonstrated that the American bean can find a market in Europe. It is now evident that American agricultural methods, fostered by the research work of the Department of Agriculture, have produced a bean which not only can compete with the Manchurian bean but is an improvement on it, so that it is growing in favor with British and European mills. Thus the development of the American soya bean may make up for part of the losses suffered by American trade in various directions — notably the loss in foreign demand for American wheat. Indeed, it has been proven that the bean will grow in the middle western states which find themselves with a surplus of wheat and a dearth of substitute crops. Now that wheat acreage is being curtailed, may not the soya bean provide a new source of revenue for the harassed farmer? Doubtless economic planners in Washington have given consideration to this possibility. The United States Department of Agriculture has shown by practical experiments what are the best varieties for different states, and expects good profits for the grower when the bean obtains the public recognition it deserves.

It is not easy to foresee the consequences that would flow from a vigorous expansion of the American soya bean crop. Inevitably the American bean would set up keen competition with the Manchurian product. If it were to supersede the latter in the European market the prosperity of Manchuria would be menaced. But it seems clear that with increasing knowledge of the peerless qualities of the bean, both as food and for industrial and agricultural purposes, the demand for it, not only in Europe but in all countries, will increase.

GERMANY'S DEBT BURDEN

GERMANY is the second largest debtor to the United States; only Canada outranks her. Approximately 38 percent of the outstanding European bonds which have been publicly offered in the United States are German. According to the Institute of International Finance, the amount of German bonds payable in dollars and still outstanding on August 31, 1934, was \$1,047,184,400. According to this same authority, total European dollar issues in default amount to \$1,373,464,900, and of these \$982,451,400, or 72 percent, are German.

The problem of European defaults is, indeed, mainly German. The non-German European dollar bonds in default amount in round numbers to \$391,000,000, but they are divided among ten different countries and, except in one or two instances, the amount for any one country is small. The total of them all is not much more than the amount of the default of any one of three Latin American countries — Brazil, Chile and Mexico — each of which is reported to be in default in excess of \$300,000,000.

While Germany's long-term debt to the United States of more than a billion dollars is large in an absolute sense, it is less per capita than similar debts owed by several other countries. And if differences in per capita wealth are taken into account, the burden of Germany's debt to the United States appears lighter still. Clearly, it is not the relative size of this debt but the difficulty of finding a practicable method for transferring payments that constitutes the main problem.

Following is a comparison of the total and per capita long-term dollar indebtedness of Germany with that of various other countries:

LONG-TERM DOLLAR LOANS OUTSTANDING IN 1934

	<i>Total (in millions)</i>	<i>Amount per capita</i>
Argentina.....	\$363	\$33
Brazil.....	377	9
Chile.....	311	72
Colombia.....	158	20
Mexico.....	302	18
France.....	188	5
Germany.....	1,047	17
Great Britain.....	20	0.5
Italy.....	241	6
Canada.....	2,682	268
Australia.....	260	40
Japan.....	398	6

If we consider the debt of the German Government apart from the German commercial long-term debt, its relative lightness compared with that of other governments is similarly apparent. The "World Economic Survey" for 1933-1934, recently published by the Economic Intelligence Service of the League of Nations, presents a tabulation of the total public debt of various countries at the end of the last fiscal year, including the amount which is owed

externally. While the figures there given are not strictly comparable internationally, they indicate clearly that the per capita public indebtedness of Germany is less than that of any other important European country. This is shown in the following table:

PUBLIC DEBT OF IMPORTANT COUNTRIES

Converted into dollars at the current rate of exchange

	<i>Total (in millions)</i>	<i>Per capita</i>	<i>Percent</i>	<i>Owed Externally Per capita</i>
France.....	\$30,360	\$726	38	\$276
Germany.....	4,682	80	19	15
Great Britain.....	39,300	850	13	110
Italy ^a	8,755	212	2	4
United States.....	27,053	217	..	...

^a Data for Italy do not include Allied war debts, which are included in the data for France and Great Britain.

The foregoing tables obviously do not give a complete picture of the debt burdens of the various nations listed. In the case of the Latin American countries which have done most of their borrowing in the United States, the first table gives a better indication of the burden of external indebtedness than it does for Germany, which has borrowed extensively from the creditor nations of Europe as well as from the United States. But this does not vitiate the conclusion that the debt burden of Germany is relatively light and that it would not be beyond her capacity to pay if her present policy of *Autarkie* and her creditors' trade restrictions were modified to conform with economic realities.

W. O. S.

SOME RECENT BOOKS ON INTERNATIONAL RELATIONS

By William L. Langer

NOTE — FOREIGN AFFAIRS will supply its readers, *post free*, with any book published in the United States, at the publisher's regular list price. Send orders, accompanied by check or money order, to Book Service, FOREIGN AFFAIRS, 45 East 65 Street, New York City.

General: Political and Legal

DOCUMENTS ON INTERNATIONAL AFFAIRS. 1933. EDITED BY JOHN W. WHEELER-BENNETT. New York: Oxford University Press, 1934, 536 p. \$10.00.

This latest volume of a useful collection gives what the editor considers the essential documents for each country, as well as a selection of the chief material on world economic affairs, disarmament and security.

DOCUMENTARY TEXTBOOK ON INTERNATIONAL RELATIONS. BY JOHN E. HARLEY. Los Angeles: Suttonhouse, 1934, 848 p. \$6.00.

This collection of source material, with running comment and bibliographical notes, should prove valuable for students of international relations. It covers the development of the system of international cooperation, the League, the Court, the Labor Organization and the Pan-American Union. Part II is devoted to the pacific settlement of international disputes; part III to the renunciation of war; part IV to arms limitation.

POLITICS AND POLITICIANS. BY FREDERICK S. OLIVER. New York: Macmillan, 1934, 101 p. \$1.25.

An analysis of the political mind as it appears at various stages in world development, by the author of "The Endless Adventure."

A GUIDE TO MODERN POLITICS. BY G. D. H. COLE AND MARGARET COLE. Toronto: Ryerson Press, 1934, 559 p. \$1.50.

The work of well-known socialist writers: largely a description, well-informed if rather passionate, of present-day systems, followed by some theoretical discussion and prediction.

SCIENCE FOR A NEW WORLD. EDITED BY SIR JOHN ARTHUR THOMSON AND J. G. CROWTHER. New York: Harper, 1934, 398 p. \$3.75.

The scientific outlook on world affairs expounded by fifteen men of science.

IF I WERE DICTATOR. BY JULIAN HUXLEY. New York: Harper, 1934, 162 p. \$2.00.

One of the most interesting of a series published under the same title. The author stresses the need for ideas and intelligent planning.

LIBERTY TODAY. BY C. E. M. JOAD. London: Watts, 1934, 216 p. 2/6.

A conventional discussion of the decline of liberty and the rise of dictatorship, with a defense of the traditional liberal viewpoint.

DEMOCRACY AND MILITARY POWER. BY SILAS B. MCKINLEY. New York: Vanguard, 1934, 313 p. \$3.00.

An historical review and critique elucidating the forces making for Fascism.

FORCE. BY LORD DAVIES. London: Benn, 1934, 242 p. 21/.

A serious book which presents an effective argument for world federation and the reduction of military establishments to police forces.

DIE TRÄGER DER ÖFFENTLICHEN MEINUNG. BY E. MANHEIM. Brno: Rohrer, 1934, 147 p. M. 5.

A scholarly sociological study of public opinion.

HOW TO MAKE A REVOLUTION. BY RAYMOND POSTGATE. London: Hogarth, 1934, 199 p. 5/.

A persistent student of the technique of revolution criticizes the Marxist tradition and the interpretation of Lenin and sees no hope for socialist victory except through persuasion and strong leadership.

ZAHAROFF, HIGH PRIEST OF WAR. BY G. DAVENPORT. Boston: Lothrop, 1934, 330 p. \$3.00.

A new popular biography of a man who has become the symbol of the international arms-trafficker.

LABOUR AND WAR. BY BJARNE BRAATØY. London: Allen and Unwin, 1934, 216 p. 8/6.

This book discusses efforts to prevent war, and the attitude of Labor.

SICHERHEIT UND GERECHTIGKEIT. BY FRITZ BERBER. Berlin: Heymanns, 1934, 165 p.

A brilliant semi-popular survey of international law and organization which emphasizes the static concept of French security and contrasts it with the German concept of a dynamic international system with its stress on justice and equality.

SEA POWER IN THE MODERN WORLD. BY ADMIRAL SIR HERBERT RICHMOND. New York: Reynal and Hitchcock, 1934, 323 p. \$3.00.

An important book by a distinguished British officer, discussing the elements of sea power, the changes introduced by the airplane and submarine, and the problems of collective and individual security.

GESCHICHTE DER LUFTWAFFE. BY H. FREIHERR VON BÜLOW. Frankfurt: Dusterweg, 1934, 176 p. M. 4.

A brief popular history of military aviation.

GUERRE ET PROTECTION. BY GENERAL POUDEROUX. Paris: Nouvelle Société d'Éditions, 1934, Fr. 12.

Another professional exposition of the air menace and possible solutions.

SOME ASPECTS OF THE COVENANT OF THE LEAGUE OF NATIONS. BY SIR JOHN FISHER WILLIAMS. New York: Oxford University Press, 1934, 329 p. \$4.00.

A series of lectures by a well-known international jurist. The book surveys the chief provisions of the Covenant and stresses throughout the idea that this and kindred documents must be taken as statements of principles, which must be interpreted and adapted to meet changing needs.

THE ORIGINS OF THE INTERNATIONAL LABOUR ORGANIZATION. EDITED BY JAMES T. SHOTWELL. New York: Carnegie Endowment, 2 v. \$10.00.

One volume of history, followed by another volume of documents. The purpose is not only to give a detailed account of the origins of the Labor Organization, but to stress the idea that the organization was thought of as something independent of the League.

THE PERMANENT COURT OF INTERNATIONAL JUSTICE. BY MANLEY O. HUDSON. New York: Macmillan, 1934, 758 p. \$5.00.

This will at once become the authoritative treatment of the World Court. The author, long known as a close student of the subject, here presents an exhaustive scholarly analysis of earlier efforts to establish an international tribunal. The bulk of the book, however, is given over to a detailed study of the Court's organization, jurisdiction and procedure, and of the law which it applies. Many of the essential documents are also reprinted. The volume is based on all the available official and unofficial material and should prove valuable for the jurist as well as the student.

THE DEVELOPMENT OF INTERNATIONAL LAW BY THE PERMANENT COURT OF INTERNATIONAL JUSTICE. BY H. LAUTERPACHT. New York: Longmans, 1934, 120 p. \$2.00.

A series of lectures delivered at Geneva which give a clear and competent survey of the Court's practice and tendency.

CRITERIA OF CAPACITY FOR INDEPENDENCE. BY WALTER H. RITSCHER. Jerusalem: Syrian Orphanage Press, 1934, 152 p.

A technical study, in the series of the American University of Beirut. The author examines the criteria set up in the case of Iraq, the Philippines and India, and also those applied in questions of recognition and membership in the League.

ALGUNOS APUNTES SOBRE LOS TRATADOS. BY PEDRO ITRIAGO-CHACIN. Caracas: Tipografia Americana, 1934, 331 p.

A general analysis of treaties and their types, as illustrated chiefly by treaties concluded by Venezuela.

DER VORBEHALT BEIM ABSCHLUSS VÖLKERRECHTLICHE VERTRÄGE. BY U. SCHEIDTMANN. Berlin: Verlag für Staatswissenschaften, 1934, 80 p. M. 4.80.

A scholarly monograph reexamining the vexed problem of reservations in international treaties.

General: Economic

THE GREAT DEPRESSION. BY LIONEL C. ROBBINS. New York: Macmillan, 1934, 252 p. \$3.50.

A professor at the University of London comments on the main features of the slump and refutes many current notions of its causes. His own interpretation follows the Austrian trade-cycle school.

THE FINANCIERS AND THE NATION. BY THOMAS JOHNSTON. London: Methuen, 1934, 218 p. 5/.

Another indictment of the machinations of financiers, with a plea for public control of credit.

FASCISM AND SOCIAL REVOLUTION. BY PALME DUTT. New York: International Publishers, 1934, 307 p. \$2.25.

A well-written though not always critical exposition of the Marx-Lenin thesis, by the editor of the *Labour Monthly*.

MONEY AND A CHANGING CIVILIZATION. BY M. A. ABRAMS. London: Lane, 1934, 127 p. 2/6.

A concise formulation of the Austrian theory of the trade cycle and over-investment as the underlying cause of the depression.

THE RISE AND FALL OF THE GOLD STANDARD. BY SIR CHARLES M. WEBB. New York: Macmillan, 1934, 187 p. \$1.50.

A semi-popular historical and analytical account of currency systems comprised under the term "gold standard."

EXCHANGE CONTROL. BY PAUL EINZIG. New York: Macmillan, 1934, 284 p. \$3.00.

In this work on the complicated systems of control that have been introduced since the war the author gives evidence that he sympathizes with the experiment and regards control as inevitable.

THE EUROPEAN WAR DEBTS AND THEIR SETTLEMENT. BY WILDON LLOYD. New York: Committee for the Consideration of Inter-Governmental Debts, 1934, 88 p. \$1.50.

The debts must be scaled down and paid otherwise than in gold.

THE SECRET WAR. BY F. C. HANIGHEN. New York: Day, 1934, 316 p. \$2.75.

A new exposé of the international struggle for oil, by one of the co-authors of "Merchants of Death." The book is generally well-informed, though somewhat sensational.

L'EPOPEE DU PETROLE. BY ESSAD BEY. Paris: Payot, 1934, 320 p. Fr. 20.
A highly dramatized treatment of the same subject.

International Relations of the United States

NEW FRONTIERS. BY HENRY A. WALLACE. New York: Reynal and Hitchcock, 1934, 314 p. \$2.00.

One of the most authoritative and interesting presentations of the aims and ideals of the New Deal, written by the Secretary of Agriculture.

THE CHALLENGE TO LIBERTY. BY HERBERT HOOVER. New York: Scribner, 1934, 212 p. \$1.75.

The former President's challenge to the New Deal.

THE DECLINE OF AMERICAN CAPITALISM. BY LEWIS COREY. New York: Covici-Friede, 1934, 622 p. \$4.00.

Really a long and detailed study of Marxian economics pointing to the conclusion that production for use and not profit is the only solution for our problem.

CHALLENGE TO THE NEW DEAL. EDITED BY ALFRED M. BINGHAM AND SELDEN RODMAN. New York: Falcon Press, 1934, 294 p. \$2.50.

The New Deal criticized by some thirty-five writers who advance a program for a more radical solution.

L'AMERICA AL BIVIO. BY A. RUGGIERO. Turin: Einaudi, 1934, 136 p. L. 8.

A most interesting foreign discussion of the main issues in the American crisis.

L'ÉCONOMIE DIRIGÉE DE 1929 À 1934 AUX ÉTATS-UNIS. BY J. BROSSARD. Paris: Domat-Montchrétien, 1934, Fr. 20.

A competent foreign account of the economic developments since the crisis of five years ago.

GOVERNMENT OPERATED ENTERPRISES IN THE PANAMA CANAL ZONE. BY MARSHALL E. DIMOCK. Chicago: University of Chicago Press, 1934, 248 p. \$2.50.

A most timely study of the government in business. The investigation here recorded was undertaken at the suggestion of the Secretary of War, and is of the greater importance because in the Canal Zone various forms of control by government agencies can be analyzed and appraised. In the concluding chapter, the author offers criticisms and recommendations of decided interest at a time when government control is so widely discussed.

AMERICAN CONSULTATION IN WORLD AFFAIRS. BY RUSSELL M. COOPER. New York: Macmillan, 1934, 403 p. \$3.50.

A thorough, documented monograph on a subject that has been much and loosely discussed but which has not been adequately studied. The author is concerned with the position of the United States in relation to the peace machinery. He discusses the subject of consultation in its larger aspects, and analyzes in detail what happened in connection with the Sino-Russian dispute of 1929, the Chaco conflict, the Sino-Japanese crisis and the Leticia dispute.

POLICY OF THE UNITED STATES TOWARD MARITIME COMMERCE IN WAR. BY CARLTON SAVAGE. Washington: Government Printing Office, 1934, 537 p. \$1.25.

The first volume of an extended study, published by the Division of Research of the State Department. The period covered runs from 1776 to 1914. The book takes up the familiar problems of enemy goods in neutral ships, neutral goods in enemy ships, contraband of war, continuous voyage, blockade and immunity of private property, in

their historical development. Fully one quarter of the volume is devoted to official documents, on which the text is based.

AMERICAN POLICY TOWARD CHINA. BY WEN HWAN MA. Shanghai: Kelly and Walsh, 1934, 292 p.

A well-documented historical study, based largely upon the debates in Congress.

The World War

DIE INTERNATIONALEN BEZIEHUNGEN IM ZEITALTER DES IMPERIALISMUS. Series II, v. VI. Berlin: Hobbing, 1934, 391 p. M. 45.

This latest volume of the official publication of Russian documents covers the period from August 4, 1914, to November 1, 1914. It is full of valuable material on Russian relations with Turkey, Italy and the Balkans.

LES ARMÉES FRANÇAISES DANS LA GRANDE GUERRE. v. VIII, part II. Paris: Imprimerie Nationale, 1934, Fr. 550.

The latest volume of the French official history. It covers the Balkan campaign from the intervention of Rumania to the eve of the 1918 offensive.

A HISTORY OF THE WORLD WAR. BY B. H. LIDDELL HART. Toronto: Ryerson Press, 1934, 635 p. \$2.50.

A readable general account, embodying, of course, the author's well-known views on orthodox strategy.

DIE MILITÄRISCHEN PROBLEME UNSERES KRIEGSBEGINNES. BY M. FREIHERR VON PITREICH. Vienna: Author, 1934, 236 p. Sch. 7.

A careful study by a former Austrian staff officer, throwing a sad light on the carelessness and unpreparedness of the Austrians in the hour of crisis.

IL PRIMO ANNO DI GUERRA. BY C. GELOSO. Milan: Corbaccio, 1934, 400 p. L. 12.

A thorough study of the first year of Italy's war.

WIE HINDENBURG DIE RUSSEN SCHLUG. BY R. VON WEHRT. Berlin: Ullstein, 1934, 273 p. M. 2.85.

An important study of the Tannenberg campaign, based upon all available German and much Russian material.

LA BATTAGLIA D'ARRESTO SULL'ALTOPIANO DI ASIAGO. BY P. SCHIARINI. Rome: Ministero della Guerra, 1934, 117 p. L. 5.

Part of the Italian official history of the war.

FACE AUX TURCS. BY HENRI FEUILLE. Paris: Payot, 1934, 224 p. Fr. 20.

An important French account of the Gallipoli campaign.

LA GUERRA MARITIMA D'ITALIA. BY G. PO. Milan: Corbaccio, 1934, 400 p. L. 12.

A competent and thorough study of the war in the Adriatic, which has already been so much written about in Italy.

LA GUERRE SOUS-MARINE AU COMMERCE. BY J. LOUVARD. Paris: Sirey, 1934, 172 p. Fr. 25.

Not so much a narrative of submarine warfare as a study of its permissibility in international law.

THE FIRST WAR IN THE AIR. BY R. H. KIERNAN. London: Davies, 1934, 192 p. 5/.

A popular story of the war in the air, chiefly on the western front. Rather uneven and scrappy, though well-informed.

Western Europe

FREEDOM VERSUS ORGANIZATION. BY BERTRAND RUSSELL. New York: Norton, 1934, 479 p. \$3.50.

A brilliant and provocative essay on European history from 1815 to 1914.

A SHORT HISTORY OF OUR TIMES. BY J. A. SPENDER. London: Cassell, 1934, 318 p. 10/6.

A general text, written from the liberal standpoint; fair-minded and impartial.

UNE NOUVELLE PHASE DE LA LUTTE POUR L'ÉQUILIBRE EUROPÉEN. BY EDOUARD BENEŠ. Prague: Orbis, 1934, 62 p. Fr. 5.

One of the discerning periodic analyses of the European scene by the Czechoslovak Foreign Minister.

THESE HURRYING YEARS. BY GERALD HEARD. New York: Oxford University Press, 1934, 371 p. \$3.00.

A narrative of events since 1900, stressing the psychological changes, but rather weak on the interpretative side.

RETREAT FROM GLORY. BY R. H. BRUCE LOCKHART. New York: Putnam, 1934, 348 p. \$3.00.

Those who have read Lockhart's first book will enjoy this volume of impressions and experiences in Central Europe since the war.

BEHIND THE FRONT PAGE. BY WILBUR FORREST. New York: Appleton, 1934, 358 p. \$2.50.

The experiences, in various parts of the world, of a well-known American journalist.

A SHORT HISTORY OF SWEDEN. BY RAGNAR SVANSTRÖM AND CARL PALMSTIERN. New York: Oxford University Press, 1934, 443 p. \$5.00.

The work of two Swedish scholars, this is an admirable general survey, written especially for the English-speaking world.

DANMARKS POLITISKE HISTORIE FRA FREDEN I KIEL TIL VORE DAGE. BY P. ENGELSTOF AND F. WENDT. Copenhagen: Gyldendal, 1934, 485 p. Kr. 15.

A useful general manual on the political history of modern Denmark.

ALBERT I, ROI DES BELGES. BY L. DUMONT-WILDEN. Paris: Grasset, 1934, 300 p. Fr. 20.

One of the best general biographies, written by a prominent French political commentator.

QUESTA FRANCIA. BY V. GORRESIO. Milan: Agnelli, 1934, 273 p. L. 12.

Keen observations on French conditions, by an Italian journalist.

LE COMMERCE EXTÉRIEUR DE LA FRANCE. BY JULIEN DURAND. Paris: Comité Parlementaire du Commerce, 1934, 72 p. Fr. 10.

A former French minister of commerce analyzes the crisis in foreign trade and suggests ways and means to mitigate it.

HISTOIRE DE LA MARINE FRANÇAISE ILLUSTRÉE. BY CHARLES DE LA RONCIÈRE AND G. CLERCRAMPAL. Paris: Larousse, 1934, 408 p. Fr. 110.

A much-needed and authoritative general history of the French navy.

THE HISTORY OF SPAIN. BY LOUIS BERTRAND AND SIR CHARLES PETRIE. New York: Appleton, 1934, 564 p. \$4.00.

A translation and extension of a well-known and very stimulating French history of Spain. The narrative runs to the revolution of 1931.

CATALUNYA I L'EUROPA FUTURA. BY ALEJANDRO DENLOFEU. Barcelona: Nagsa, 1934, 300 p. Pes. 6.

A restatement of the ideals and aims of the Catalanian party.

LE PORTUGAL ET SON CHEF. BY A. FERRO-SALAZAR. Paris: Grasset, 1934, 335 p.

Primarily a study of the financial reconstruction carried through by Oliveira Salazar.

ORIGINI E DOTTRINA DEL FASCISMO. BY GIOVANNI GENTILE. Rome: Istituto Nazionale Fascista, 1934, 103 p.

A concise statement, by the principal intellectual leader of the Fascist movement.

LA LEÇON DE MUSSOLINI. BY HENRY MASSOUL. Paris: Mercure de France, 1934, Fr. 15.

A critical study of Fascism from 1921 to the present day.

DAS ITALIENISCHE STAATSRECHT. BY C. BORNHAK. Leipzig: Deichert, 1934, 181 p. M. 3.60.

The Fascist constitution analyzed by a German writer on constitutional history.

ESPERIENZA CORPORATIVA. BY G. BOTTAI. Florence: Vallecchi, 1934, 723 p. L. 35.

An exhaustive historical treatment of the corporative system in Italy, covering the years 1924-1934, by the former Minister of Corporations.

I FRANCESI ALLE PORTE D'ITALIA. BY C. PETTINATO. Milan: Bompiani, 1934, 320 p. L. 10.

A review of the Franco-Italian problem.

BRIEFE ZUR DEUTSCHEN POLITIK IN ÖSTERREICH. BY PAUL MOLISCH. Vienna: Braumüller, 1934, 395 p. M. 13.

A valuable collection of documentary material bearing on the German-Austrian problem between 1848 and 1918, on which the writer is preparing a large critical work.

A SOVIET WRITER LOOKS AT VIENNA. BY ILYA EHRENBURG. London: Lawrence, 1934, 47 p. 6d.

A brief sketch of the February conflict, together with sharp criticism of the Social Democratic organization.

DER BÜRGERKRIEG IN ÖSTERREICH. BY JULIUS DEUTSCH. Carlsbad: Graphia, 1934.

The same subject treated by a prominent socialist participator, now in exile.

DIE NEUE ÖSTERREICHISCHE VERFASSUNG. BY O. ENDER. Vienna: Österreichische Bundesverlag, 1934, 131 p. M. 2.

A survey of the chief provisions of the revised constitution.

DEUTSCHE GESCHICHTE VON BISMARCK BIS HITLER. BY HEINRICH SCHNEE. Paderborn: Schöningh, 1934, 228 p. M. 4.80.

A popular narrative by a well-known German colonial administrator, stressing particularly the constructive work of the Hitler régime.

HINDENBURG. BRIEFE, REDEN, BERICHTE. BY FRITZ ENDRES. Ebenhausen: Langewiesche, 1934, 196 p. M. 2.40.

A collection of papers compiled by a close associate of the late President.

HINDENBURG. BY F. HARTUNG. Leipzig: Reclam, 1934, 70 p. Pf. 35.

A popular but competent sketch, by a noted German historian.

DER KRIEGSSCHULDARTIKEL. BY H. M. BEHEIM-SCHWARZBACH. Berlin: Dümmler, 1934, 107 p. M. 6.

An exhaustive scholarly analysis of Article 231 of the Versailles Treaty, its origins, implications, etc.

VOM KAISERHOF ZUR REICHSKANZLEI. BY JOSEPH GOEBBELS. Munich: Eher, 1934, 308 p. M. 4.50.

The Nazi revolution described by the Minister of Propaganda.

FASCHISMUS UND NAZIONAL-SOZIALISMUS. BY ERNST SCHREWE. Hamburg: Hanseatische Verlagsanstalt, 1934.

Primarily a history and analysis of Fascism, followed by a stimulating chapter comparing it with its German counterpart.

SOZIALPOLITIK IM NEUEN STAAT. BY W. SCHUMANN AND L. BRUCKER. Berlin: Rink und Krause, 1934, 557 p. M. 12.

An exhaustive discussion of the social problem by two outstanding leaders of the *Arbeitsfront*.

FASCIST GERMANY EXPLAINS. BY CELIA STRACHEY AND JOHN G. WERNER. New York: Covici-Friede, 1934, 135 p. \$1.25.

By collating statements made by Nazi leaders the authors make out a striking contrast between what they say and what they do.

STRONG MAN RULES. BY GEORGE N. SCHUSTER. New York: Appleton, 1934, 291 p. \$2.00.

The author attempts an interpretation of the rise and victory of the Nazi movement and of its policies while in power. He does not take liberal ideology as an unquestionable starting-point, but makes a real effort to understand the failure of liberalism in Germany and to explain the evolution of the mentality that moves a large part of the German people today.

THE REICHSTAG FIRE TRIAL. London: Lane, 1934, 376 p. 7/6.

The second Brown Book of the Hitler terror. It goes over the now familiar ground of the trial without adding much to the accepted anti-Nazi view.

HITLER'S OFFICIAL PROGRAMME AND ITS FUNDAMENTAL IDEAS. BY GOTTFRIED FEDER. London: Allen and Unwin, 1934, 125 p. 2/6.

A needed English translation of the programmatic writings of Feder, which Hitler admits to have greatly influenced him.

THE OTHER GERMANY. BY GORDON BOLITHO. New York: Appleton, 1934, 286 p. \$3.00.

A picture of present-day student life at Heidelberg.

HITLER'S WONDERLAND. BY MICHAEL FRY. Toronto: Musson, 1934, 216 p. \$1.75.

A defense of Naziism, except for its persecutions.

AFTER HITLER'S FALL. BY PRINCE HUBERTUS LOEWENSTEIN. London: Faber, 1934, 281 p. 7/6.

An idealist's forecast of a new Holy Empire based on tolerance, justice and enlightenment and equally removed from Naziism and Communism.

THE SECRET OF HITLER'S VICTORY. BY PETER PETROFF AND IRMA PETROFF. London: Hogarth, 1934, 138 p. 3/6.

The social-democratic view. The authors analyze the reasons why democratic forces were unable to stem the tide. Good but not novel.

DAS DRITTE REICH IM SPIEGEL DER WELTPRESSE. BY K. BOMER. Leipzig: Amanen Verlag, 1934, 173 p. M. 3.80.

Material to show the Germans how they have been maligned in a systematic press campaign of denigration.

LA MENACE ALLEMANDE. BY ANDRÉ CHEVRILLON. Paris: Plon, 1934, Fr. 12.

A well-known critic writes on the Pan-German menace, past and present.

LA HAINE BRUNE. BY C. MICHAELIS, HEINZ MICHAELIS AND W. SOMIN. Paris: Lipschutz, 1934, Fr. 20.

A sensational exposé, with photographs and reproductions of documents.

BEITRAGE ZUR DEUTSCHEN POLITIK UND WIRTSCHAFT. BY GEORG SOLMSEN. Munich: Duncker und Humbolt, 1934, 2 v. M. 19.

A valuable collection of speeches and essays of the war and post-war periods, by a prominent German financier.

GERMAN COMMERCIAL POLICY. BY WILHELM RÖPKE. New York: Longmans, 1934, 86 p. \$2.00.

A series of lectures delivered at Geneva. The author, a competent authority on the subject, gives a general review of German tariff policy in the last fifty years and discusses the pros and cons of protection and control.

DAS HEILIGE NEIN. BY G. AHLEMANN. Berlin: Elsner, 1934, 341 p. M. 6.

A review of the German case for arms equality, with reference to the development of the problem since 1919.

GERMANY'S SECRET ARMAMENTS. BY HELMUT KLOTZ. London: Jarrolds, 1934, 190 p. 5/.

An exposé, by a writer hostile to the present régime.

THE SAAR AND THE FRANCO-GERMAN PROBLEM. BY B. T. REYNOLDS. London: Arnold, 1934, 279 p. 7/6.

A sane analysis of the whole situation, written by a British officer long stationed on the Rhine.

THE SAAR STRUGGLE. BY MICHAEL T. FLORINSKY. New York: Macmillan, 1934, 191 p. \$2.00.

The most complete survey of the Saar problem in English, though not quite as scholarly as one would have liked.

DIE GRUNDLAGEN DES SAARKAMPFES. EDITED BY ADOLF GRABOWSKY AND GEORG SANTE. Berlin: Heymanns, 1934, 394 p.

A collection of authoritative essays on all aspects of the Saar problem, to be taken as a reliable guide to the German view.

LA REGION INDUSTRIELLE SARROISE. BY CAPOT-REY. Paris: Berger-Levrault, 1934, 640 p. Fr. 90.

An exhaustive scientific study of the Saar basin as an industrial unit.

Eastern Europe

POLITICKÉ DĚJINY ČESKOSLOVENSKÉHO NÁRODA. BY ZDENĚK TOBOLKA. Prague: Československý Kompas, 1934, 3 v. Kč. 146.

A monumental political history of the Czechoslovaks from 1848 to 1914.

BOJ O MÍR A BEZPEČNOST STÁTU. BY EDVARD BENEŠ. Prague: Orbis, 1934, 833 p. Kč. 96.

Speeches and essays on international affairs between 1924 and 1933, forming an indispensable supplement to Beneš's memoirs.

ČESKOSLOVENSKÝ PRESIDENT REPUBLIKY. BY EMIL SOBOTA, Jaroslav Vorel and others. Prague: Orbis, 1934, 453 p. Kč. 70.

The evolution of the presidency in the time of Masaryk, by a group of writers who have been associated with him.

THE TREATY OF TRIANON AND EUROPEAN PEACE. BY COUNT STEPHEN BETHLEN. New York: Longmans, 1934, 200 p. \$3.50.

Another eloquent plea for revision, by the former Prime Minister.

POLEN, LEGENDE UND WIRKLICHKEIT. BY FRIEDRICH SIEBURG. Frankfurt: Societäts-Verlag, 1934, 62 p.

An unsparing sketch of present conditions, by a clever *Frankfurter Zeitung* writer.

THE ECONOMIC INDEPENDENCE OF POLAND. By PAUL F. DOUGLASS. Cincinnati: Ruter, 1934, 134 p. \$2.00.

A careful study, based in large measure on Polish materials, analyzing especially the problems of trade adjustment confronted by the new state.

KOMMENTAR DER KONVENTION ÜBER DAS MEMELGEBIET. By JACOB ROBINSON. Kaunas: Spaudos Fondas, 1934, 2 v.

Two huge volumes, analyzing in the most minute detail the history, provisions and working of the convention of May 8, 1924.

DIALECTICAL MATERIALISM. By V. ADORATSKY. New York: International Publishers, 1934, 96 p. 50 cents.

A concise exposition of the Marxian doctrine as interpreted by Lenin and his followers, by the head of the Marx-Engels Institute.

THE BOLSHEVIK REVOLUTION. By JAMES BUNYAN AND H. H. FISHER. Stanford University: Stanford University Press, 1934, 735 p. \$6.00.

The latest publication of the Hoover War Library. A welcome collection of source materials on the great revolution.

THE OCTOBER REVOLUTION. By JOSEPH STALIN. New York: International Publishers, 1934, 168 p. \$1.00.

Articles and speeches by the present Russian dictator.

RUSSIA'S IRON AGE. By WILLIAM H. CHAMBERLAIN. Boston: Little, Brown, 1934, 400 p. \$4.00.

One of the best-known American writers on Russian affairs surveys the great industrial strides recently made by the Soviets, but asks the pertinent question: What price?

I WORKED FOR THE SOVIETS. By COUNTESS ALEXANDRA TOLSTOY. New Haven: Yale University Press, 1934, 261 p. \$3.00.

The revealing experiences of Tolstoy's youngest daughter, who tried, without success, to adapt herself to the new order.

LE CAPITAL ÉTRANGER EN RUSSIE. By A. CRIHAN. Paris: Librairie Général de Droit, 1934, Fr. 35.

A juristic study of foreign investments under the Bolshevik system.

VERKEHRSGEOGRAPHIE VON RUSSISCH-ASIEN. By E. THIEL. Königsberg: Ost-Europa Verlag, 1934, 324 p. M. 12.

A meritorious pioneer study of the transportation and communication system of Siberia.

SECRETS OF SIBERIA. By PIERRE DOMINIQUE. London: Hutchinson, 1934, 288 p. 10/6.

The translation of a most depressing picture of conditions in western Siberia and Turkestan, by a French journalist.

THE BOLSHEVIKS DISCOVER SIBERIA. By S. BESBORODOV. London: Lawrence, 1934, 131 p. 2/.

The very antithesis to the foregoing. A Bolshevik account of the sins of the Tsarist régime and of the Bolshevik achievement.

A HISTORY OF THE ROUMANIANS. By R. W. SETON-WATSON. New York: Macmillan, 1934, 604 p. \$7.00.

Far and away the best history in English. The author is one of the best-informed students of Balkan problems, and his work always is carefully done and thoroughly documented. In the discussion of the more modern period he is very critical of Austrian policy, perhaps too much so, but on this subject there is much room for difference of opinion. The book is a useful addition to the English literature on one of the most important states of the new Eastern Europe.

THE STORY OF MY LIFE. BY QUEEN MARIE OF RUMANIA. New York: Scribner, 1934, 629 p. \$4.00.

This autobiography, covering the period to the war, is well written and interesting.

ORIZONTURILE MELE. BY N. IORGA. Bucharest: Stroilă, 1934, 3 v. Lei 300.

The autobiography of the eminent Rumanian historian and former Prime Minister.

The British Commonwealth of Nations

MODERN ENGLAND, 1885-1932. BY SIR J. A. R. MARRIOTT. London: Methuen, 1934, 551 p. 16/.

The last volume in a large series. A fairly good account of constitutional and imperial developments, but otherwise rather drab.

LA GRANDE BRETAGNE. BY LOUIS CAZAMIAN. Paris: Didier, 1934, Fr. 30.

An outstanding book on modern England, written by an expert in the field of English literature.

CONSULTATION AND CO-OPERATION IN THE BRITISH COMMONWEALTH. COMPILED BY GERALD E. H. PALMER. New York: Oxford University Press, 1934, 264 p. \$5.00.

The book contains a long introductory historical account by Professor Keith, the rest being a purely descriptive study of the methods of consultation as they now exist.

IMPERIAL ECONOMY AND ITS PLACE IN THE FORMATION OF ECONOMIC DOCTRINE. BY C. R. FAY. New York: Oxford University Press, 1934, 151 p. \$2.25.

A series of lectures by a Canadian authority, giving in brief scope one of the best historical surveys of the economic development of the British Empire.

WAR MEMOIRS OF DAVID LLOYD GEORGE. v. III. Boston: Little, Brown, 1934, 582 p. \$4.00.

This instructive volume of the famous statesman's memoirs is concerned largely with his premiership in the year 1917 and deals at length with the urgent problems of shipping, food supply, man-power and the submarine menace, to say nothing of questions of strategy and war organization. Lloyd George manages to put up an excellent defense of his policy, and writes in his usual lively and challenging style.

AN AUTOBIOGRAPHY. BY VISCOUNT SNOWDEN. v. I. London: Nicholson, 1934, 534 p. 21/.

This first volume tells the story of Snowden's early struggles and activities and carries on through the period of the World War. It is of obvious value as a contribution to the history of the Labor Party.

THE NAVAL MEMOIRS OF SIR ROGER KEYES. London: Butterworth, 1934, 538 p. 21/.

A volume which throws light on the British submarine service as well as upon the naval aspects of the Dardanelles campaign.

BRITAIN'S POLITICAL FUTURE. BY LORD ALLEN OF HURTWOOD. New York: Longmans, 1934, 192 p. \$3.20.

How Britain is to get a New Deal through democratic leadership and without violence.

THE LIFE OF LORD CARSON. BY IAN COLVIN. v. II. London: Gollancz, 1934, 446 p. 15/.

Part of an important contribution to the history of the Irish question in our times.

THE IRISH FREE STATE. BY NICHOLAS MANSERGH. New York: Macmillan, 1934, 344 p. \$4.75.

A competent analysis of the government and politics of the Free State.

LA RIVOLUZIONE D'IRLANDA. BY NICOLA PASCAZIO. Rome: Nuova Europa, 1934, 260 p. L. 12.

An able foreign survey, dealing chiefly with the development of the Irish problem since the establishment of the Free State.

THE CAMBRIDGE SHORTER HISTORY OF INDIA. BY J. ALLAN, SIR WOLSELEY HAIG AND H. H. DODWELL. New York: Macmillan, 1934, 989 p. \$4.00.

For the average reader this will undoubtedly prove to be the best general survey of Indian history from the beginnings to the present. The writers are all experts in their field and attempt to make easily available the scholarship that has gone into the larger "Cambridge History of India."

THE TRAGEDY OF GANDHI. BY G. BOLTON. London: Allen and Unwin, 1934, 326 p. 10/6.

A popular biography, written with sympathy and fairness if not with a great deal of discernment.

INDUSTRIAL POLICY OF INDIA. BY CHANDULAL VAKIL AND M. C. MUNSHI. New York: Longmans, 1934, 283 p. \$3.75.

An outline, with discussion of the present situation in its national and international aspects.

The Near East

A BOSPORUS ADVENTURE. BY MARY MILLS PATRICK. Stanford University: Stanford University Press, 1934, 293 p. \$2.25.

Primarily a history of the Woman's College at Constantinople by a former president, but at the same time a survey of Turkish conditions in the last fifty years.

KAMAL: MAKER OF MODERN TURKEY. BY ALI SHAH IKBAL. London: Joseph, 1934, 297 p. 15/.

An interesting appraisal of the Turkish dictator, by a well-known Persian writer.

THE SECRET KINGDOM. BY BEN JAMES. New York: Reynal and Hitchcock, 1934, 295 p. \$2.75.

A not profound but interesting narrative of a journey to Afghanistan.

DIE EUROPÄISIERUNG DES ORIENTS. BY HANS KOHN. Berlin: Schocken, 1934, 356 p. M. 6.

Another interesting survey of conditions and changes in the Near and Middle East. The book is not technical, but supplies an excellent discussion of the impact of European culture and methods upon peoples whose habits were essentially static.

LA FRANCIA IN SIRIA. BY A. ARMELLINI. Lanciano: Carabba, 1934, 264 p. L. 9.

A general critical survey of French policy and achievement.

SELF-GOVERNMENT OF THE JEWS IN PALESTINE SINCE 1900. BY MOSHÉ BURSTEIN. New York: Bloch, 1934, 298 p. \$2.00.

A well-documented study of the subject which should be of help to those interested in the organization and functioning of the Jewish agencies and communal groups.

HAMATSAV HA-CALCALI BE-EREZ ISRAEL. BY M. NEMIROVSKY AND W. PREUSS. Tel-Aviv: Davar, 1934, 228 p.

A study of the industrial and agricultural development of Palestine which has resulted from the influx of immigrants and foreign capital.

SEFER HASHANA SHE'ERETZ-ISRAEL. EDITED BY F. LACHOVER. Tel-Aviv: Hapoel-Hazair, 1934, 394 p.

An exhaustive account of the political, economic and cultural progress of Palestine in 1933.

Africa

AFRICA. A SOCIAL, ECONOMIC AND POLITICAL GEOGRAPHY OF ITS MAJOR REGIONS. BY WALTER FITZGERALD. London: Methuen, 1934, 462 p. 16/.
An advanced text of high quality.

DEUTSCHE SCHUTZGEBIETE UNTER MANDATSHERRSCHAFT. BY L. SCHOEN. Berlin: Börsenzeitung, 1934, 87 p. Pf. 75.

The author treats the economic development of the former colonies since the war.

THE ANGLO-EGYPTIAN SUDAN. BY SIR HAROLD MACMICHAEL. London: Faber, 1934, 280 p. 15/.

Primarily an analysis of administration and post-war problems in the Sudan. A valuable book.

THE WINNING OF THE SUDAN. BY PEIRRE CRABITÈS. Toronto: Musson, 1934, 280 p. \$4.00.

A good history of the reconquest, followed by some discussion of present problems, by an American judge of the Cairo Mixed Tribunal.

NYASALAND WITHOUT PREJUDICE. BY L. S. NORMAN. London: East Africa, 1934, 186 p. 5/.

A description of the country and its peoples, by a competent observer.

NATIVE POLICY IN SOUTHERN AFRICA. BY IFOR L. EVANS. New York: Macmillan, 1934, 177 p. \$2.00.

A reliable summary of conditions and policies in the region south of the Zambezi.

The Far East

PROBLEMS OF THE PACIFIC, 1933. EDITED BY BRUNO LASKER AND W. L. HOLLAND. Chicago: University of Chicago Press, 1934, 506 p. \$5.00.

The proceedings of the Fifth Conference on Pacific Relations.

STORM CLOUDS OVER ASIA. BY ROBERT S. PICKENS. New York: Funk and Wagnalls, 1934, 261 p. \$1.50.

An introduction to the problems of the Far East that is well worth reading. The author, an Associated Press correspondent, is thoroughly familiar with the field and writes with warmth and strong conviction. What he has to say of the Philippine problem and of Japanese militarism is particularly timely.

KRIEG ENTBRANNT AM PAZIFIK. BY W. SORGE. Berlin: Scherl, 1934, 228 p. M. 3.50.

Another alarmist account of the Far Eastern tension, by a German observer who spent the last three years there.

L'INDO-CHINE D'AUTREFOIS ET D'AUJOURD'HUI. BY J. B. ALBERTI. Paris: Société d'Éditions Géographiques, 1934, 835 p. Fr. 50.

An encyclopædic authoritative work on Indo-China.

TURKESTAN REUNION. BY ELEANOR H. LATTIMORE. New York: Day, 1934, 308 p. \$2.75.

Letters of travel in Chinese Turkestan and neighboring regions by the wife of a well-known explorer of Mongolia.

CHINA YEAR-BOOK. EDITED BY H. G. W. WOODHEAD. Chicago: University of Chicago Press, 1934, 854 p. \$12.50.

This new number of a well-known manual will require no special introduction.

CONFUCIANISM AND MODERN CHINA. BY REGINALD F. JOHNSTON. Toronto: Ryerson, 1934, 272 p. \$1.50.

A series of lectures by a man long tutor to the present Emperor of Manchukuo. He stresses the lasting values of Confucianism and expresses optimism as to its future.

UNDERSTAND THE CHINESE. BY WILLIAM MARTIN. London: Methuen, 1934, 265 p. 7/6.

By the late foreign editor of the *Journal de Genève*. A lucid account, but marred by unreasoning hostility to the Japanese and to the activities of the Europeans in China. FUNDAMENTAL LAWS OF THE CHINESE SOVIET REPUBLIC. New York: International Publishers, 1934, 87 p. 75 cents.

A useful collection, throwing some light on the obscure communist government of western China.

THE CHINESE SOVIETS. BY VICTOR A. YAKHONTOFF. New York: Coward-McCann, 1934, 310 p. \$2.75.

Probably the best general account of the Soviet experiment in China. Based largely on Russian material and written by a competent observer of Chinese affairs.

SUPPRESSING COMMUNIST BANDITRY IN CHINA. EDITED BY TANG LEANG-LI. Shanghai: China United Press, 1934, 110 p. \$3.00.

The first volume of a new series, "China To-Day." A systematic account of the development of communism in China and the progress of the Nanking government in suppressing it.

ONE'S COMPANY. BY PETER FLEMING. New York: Scribner, 1934, 319 p. \$2.75.

A contemporary picture of conditions in Manchukuo and China, by the ruthlessly frank correspondent of the London *Times*.

MANCHOUKUO YEARBOOK. 1934. Tokyo: East-Asiatic Economic Investigation Bureau, 1934, 882 p. 12 yen.

A new edition of what used to be the "Manchuria Year-Book." Though a Japanese publication, it will be useful for the wealth of material it contains.

JAPAN'S ADVANCE. BY JAMES A. B. SCHERER. New York: Stechert, 1934, 347 p. \$3.50.

An enthusiastic account of the industrial and general economic progress of Japan, with some discussion of political relations with England and the United States.

JAPAN IN CRISIS. BY HARRY E. WILDES. New York: Macmillan, 1934, 300 p. \$2.00.

May well be read in connection with the preceding. The author, who has had much experience in the Far East, exposes the seamy side of the Japanese situation.

POPULATION THEORIES AND THEIR APPLICATION. BY E. F. PENROSE. Stanford University: Food Research Institute, 1934, 347 p. \$3.50.

A scholarly investigation dealing almost entirely with the population problem of Japan in connection with possible industrialization, emigration, expansion, etc.

Latin America

SOUTH AMERICAN PROGRESS. BY CLARENCE HARING. Cambridge: Harvard University Press, 1934, 250 p. \$2.50.

A series of Lowell Lectures, reviewing the fundamental natural and racial factors in Latin America as well as political and economic developments.

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SOURCE MATERIAL

By Denys P. Myers

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